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AUTHOR Calhoun, Craig
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ABSTRACT

This report provides a statistical profile for thinking about education and development decisions in North Carolina. It profiles the state primarily in terms of population patterns, economy, labor force, education, and environment; secondarily in terms of health and social services, infrastructure and aspects of government performance. State and federal statistics and research projects by schools and businesses provide the informational base. The state's present condition is linked to recent historical trends and is compared to the rest of the United States as a whole and to Southern states as a region. Numerous maps and graphs illustrate various population characteristics, rates of population growth and distribution, trends in income and employment levels, concentration of land ownership, land values, sizes of businesses, education levels and expenditures, pollution levels, access to health care, infant mortality rates, and evidence of racial inequities. Issues shaping North Carolina's future are discussed, based on trend projections and considerations of current resources. Policies for social services, welfare benefits, and low- and moderate-income housing are critically examined. Education, the economy, and the environment are seen as interrelated, but unbalanced in terms of resource allocation. The presented data and other studies reveal a North Carolina that is rife with problems and rich with possibilities. Despite interests that vary according to region, class, race, occupation, and so forth, there must be an attempt to identify collective goals, to assess how effectively they are being pursued, and to encourage collective consideration of issues and the creation of strategies that work. (TES)

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NORTH CAROLINA TODAY:

CONTRASTING CONDITIONS AND COMMON CONCERNS

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Dr. Craig Calhoun

DEPARTMENT OF SOCIOLOGY
UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL

A COMPANION VOLUME TO *NORTH CAROLINA TODAY: A STATE OF EMERGENCY, A STATE OF GRACE AND A STATE OF ANTICIPATION*
by Jonathan P. Sher

PREPARED BY RURAL EDUCATION AND DEVELOPMENT, INC.
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RC 017016

Dr. Craig Calhoun

Dr. Craig Calhoun received his doctorate from Oxford University and has been teaching at UNC-Chapel Hill since 1977. He is currently Associate Professor of Sociology and Director of the Program in Social Theory and Cross-Cultural Research. He is also the editor of *Comparative Social Research.* Among Dr. Calhoun's publications are three books and more than thirty scholarly articles. His research has focused on issues from the social impact of new technology to popular political participation, the social organization of high schools, and comparative patterns of communmity organization. It has been supported by the National Institute of Education, the National Science Foundation and the University Research Council. While at UNC, Dr. Calhoun has been honored by the award of a Kellogg National Fellowship, an R.J. Reynolds Fund Award, a Fellowship from the Willim Rand Kenan, Jr. Fund, and honorary membership in UNC's Order of the Golden Fleece.

NORTH CAROLINA:
A STATE OF CONTRASTS

SOME GOOD NEWS

Of the fifty U.S. states, North Carolina ranks 6th in the number of colleges and universities.

Three North Carolina metropolitan areas (Raleigh-Durham, Asheville and Greensboro-Winston Salem-High Point) are among the top ten nationally in projected growth rates into the 1990s.

From 1980 to 1986, North Carolina had a 34.4% increase in service sector employment, ranking it 15th in the U.S.

Three North Carolina metropolitan areas are ranked in the top fifty nationally by the *Places Rated Almanac*; two others are in the top twenty in their size class.

North Carolinians' per capita personal income grew by 54.4% between 1980 and 1985, the tenth fastest growth in the nation.

North Carolina's Coastal Management Program was cited as a model for the South by the Southern Growth Policies Board.

When the Gallup Poll asked Americans where they would like to live if they could live anywhere they wanted, Southerners (and West Coasters) were most likely to say "right here." In a 14 state study, North Carolinians were most likely to say their state was the best in the country.

SOME BAD NEWS

North Carolina ranks 46th in the U.S. in the percentage of its adults who are high school graduates.

Since 1980, manufacturing plant closings have outstripped new plant openings by a five to one margin (1,165 to 211). Less than half the capacity of the state's industrial parks is currently being utilized.

800,000 North Carolina adults are illiterate. One out of five could not read this page.

North Carolina's infant mortality rate is the 4th worst in the U.S.

North Carolina's median family income ranks 44th in the U.S.; North Carolina families receive more than $3000 less than the U.S average and $12,000 less than families in the top-ranked state.

Charlotte is the country's 8th worst offender against air pollution regulations.

North Carolina ranks second in the U.S. in the proportion of prisoners among the population, with 62% more than the U.S. average incarceration rate.

North Carolina is a state rich in history, diversity and resources. It is a state which has made notable progress and which faces major hurdles. The future holds a variety of possibilities about which present-day North Carolinians must decide. Are we more interested in metropolitan growth or in preserving rural and small town life styles? How will we balance job creation against environmental protection? Where will we put our resources, our energy and our hopes?

This report is an attempt to provide some basic information for thinking about these decisions. It gives a profile of the state primarily in terms of population patterns, economy, labor force, education, and environment; secondarily in terms of health and social services, infrastructure and aspects of government performance. This profile is based on a variety of sources, largely state and federal government statistics (like the U.S. Census) but also the results of several specific research projects conducted by academic, business and public interest groups within the state. In addition to providing basic data on North Carolina today, the report provides two sorts of context for evaluating the contemporary condition of our state. First, it links our present condition to some recent historical trends and changes; we can judge ourselves in terms of our own past. Second, the report makes a number of comparisons to the rest of the United States, so that readers can understand the meaning of a given statistic by seeing how North Carolina stacks up in a rank order of the U.S. states, in relation to the country as a whole, or in relation to the South as a region. Seeing where we stand is just a start, however; we need also to ask where we are going. Accordingly, this report also suggests some of the issues that are shaping North Carolina's future. These suggestions are based firstly on projections of trends, where these are available and appropriate. But since the future is a matter of decision and action, not just extension of present trends, we must complement this with consideration of the options open to us and the resources we can bring to bear on building our future. Several studies have been conducted on specific areas of our state, on specific issues, and on matters of concern to the state as a whole (e.g. the report of the Commission on the Future of North Carolina, popularly known as "NC 2000"), and on North Carolina as part of the Southern region (e.g. the reports of the Southern Growth Policies Board, an organization representing the governors of twelve southern states and Puerto Rico). Summaries of these reports are used to provide a broader basis for thought and discussion.

These studies, and the data presented in this report, reveal a North Carolina rich in possibilities and rife with problems. Just as anyone driving through North Carolina would see a wide range of landscapes—mountains, Piedmont and flatlands; forests and beaches; strip mining, skyscrapers, dairy farms and abandoned mills—so researchers report enormous diversity. We will focus special attention on this diversity, presenting a number of maps of the state in which shadings indicate differences among counties. Look at Figure 23, for example, and you will be able to trace the I-85 corridor and locate the state's larger cities by following the darker shadings which indicate higher air pollution levels.

Every public policy, government program, private initiative and economic change is likely to affect the citizens of North Carolina in a number of different ways. Our interests vary according to region, class, race, occupation, and a number of other factors. But we have common interests too. We share the same land, breathe the same air, suffer high crime rates together or enjoy public television together. Many of the things we want—prosperity, clean water supplies, low unemployment, quality education, democracy itself—are beyond the means of individuals to provide by themselves. They are collective goods. We can only provide them by common effort, and we can only enjoy them when they are shared with our neighbors and fellow citizens.

We work to provide these goods through a number of institutions. Churches and charities, corporations and service clubs, and even the federal, state and local governments are organizations which help us to provide collective goods for ourselves. Of course, they do not always work very well and they do not always succeed. Sometimes we have to struggle with them and sometimes we have to reinvent them. But we do not really have the choice to do without them, or something very much like them. A key purpose of this report is to stimulate discussion about just what sorts of collective goods we should pursue, and just how well we are doing at pursuing them. The report is designed to bring out our diversity of circumstances, but not in order to set us apart. Rather, the point is to encourage us to see the whole of our state in order to consider what strategies will really work for all of us.

In their widely discussed best seller *Habits of the Heart*, Robert Bellah and his colleagues discuss what they call "the problem of invisible complexity." What they mean is that we each tend to reduce the larger, more abstract and hard to understand world to the terms of experiences with which we are familiar. If we know a few black people, then we think we don't need statistics to tell us what black people are like, or want, or have. If we know the extremes of poverty and affluence in our own town, we think we have a framework for understanding the state as a whole. But while familiarity is essential, it is not enough.

We need to be able to look beyond the familiar to the complex realities of life in a large, interdependent, sometimes unpredictable world. This is, in part, the difference between a community and a public. In a community, people know each other, share experiences and face-to-face relationships. In a public, people are linked not by long-standing relationships but by their ability to carry on a conversation about what they may do, or have, or need in common. North Carolina is too large to be a community. But it can be a public. People can come together across barriers of regional, racial and economic differences to discover what sorts of collective action may be in their common interests. This report is intended to be a resource for people to begin this process, to advance public discussion about the state of our state, and our common future.

PART ONE: THE DEMOGRAPHIC BACKGROUND

North Carolina is the tenth largest state in the country with 6,255,000 residents as of 1985. It has grown steadily and fairly rapidly throughout the twentieth century with the population now double what it was in 1930 (see Table 1). In this section we will summarize the basic demographic characteristics of the state, including both patterns of change and patterns of internal population distribution. This forms a key basis for the assessment of trends in employment, education, environment and other indicators of the economic well-being and quality of life of North Carolina's citizens which we will present in the following sections.

During the three decades after World War II, North Carolina's economy lagged behind the rest of the U.S., and her population growth rate slowed commensurately. In the last dozen years, however, North Carolina has once again moved ahead of the national average growth rate. This strong population growth is due largely to immigration from other states. North Carolina has one of the country's lower birth rates: just over 14 live births per 1000 population, down from over 24 in 1960. North Carolina's birth rate was only 90.3% of the U.S. average in 1985, ranking 42nd among the states. Between 1980 and 1985, births exceeded deaths by 186,000. During the same period, however, North Carolina's population was increased by 188,000 through migrants moving into the state; this figure ranked North Carolina sixth in the U.S. in net in-migration.

During that same five year period, the state's total population grew by 6.4%. In 1980, the U.S. Census Bureau projected that North Carolina's population would reach 6,473,000 in 1990 and 6,868,000 in 2000. These figures reflect anticipated growth rates of 9.9% for the 1980s, and 6.1% for the 1990s. The current indication is that North Carolina will exceed the projected growth rate in the 1980s, though only slightly. The basic message of the projections holds: there will probably be a noticeable slowing of overall population growth in the state.

This slowdown is made likely partly by the aging of the entire U.S. population. This suggests that there will be fewer births and that more of the country's migration will be due to retirement, less to relocation of young families and adult workers. North Carolina is expected to fall to 27th among the states in order of growth rates for this period. With only 11.3% of its population aged 65 or older, North Carolina ranks 33rd among the U.S. states. Though the state is becoming increasingly popular to migrating retirees, its population overall is aging somewhat more slowly than that of the U.S. as a whole. An aging population can mean shrinkage of the workforce in proportion to the population dependent on it. Though this is a long-term issue, it is not yet a serious problem in North Carolina.

TABLE 1: POPULATION TRENDS IN N.C., 1930-1980

YEAR	POPULATION	GROWTH SINCE PREVIOUS DECADE	AVERAGE U.S. GROWTH RATE	POPULATION PER SQ. MILE
1930	3,170,000	23.9%	16.2%	64.5
1940	3,572,000	12.7%	7.3%	72.7
1950	4,062,000	13.7%	14.5%	82.7
1960	4,556,000	12.2%	18.5%	93.2
1970	5,084,000	11.6%	13.4%	104.1
1980	5,882,000	15.7%	11.4%	120.4
1985	6,255,000	6.4%*	5.4%*	128.0

*1985 percentage figures are for the five year period preceding.

North Carolina's population is distinctive in other ways. With more than 22% of her citizens black, the state ranks 7th in the country. As we shall see below, this is particularly significant because of the disparities in income, living conditions and resources available to blacks and whites in the state. North Carolina is also one of the most rural states in the U.S., with 52% of the state's population classified as rural in the 1980 Census; this ranks us 6th in the country. The lack of growth in rural economies is one of the major challenges facing the state—and particularly some regions within the state—during the coming decades. Figure 1 gives a general picture of the geographic distribution of population by comparing the number of people per square mile in the state's 100 counties. Figure 2 shows the uneven distribution of the state's black population, and Figure 3 the distribution of rural population.

TABLE 2: THE COMPOSITION OF NORTH CAROLINA'S POPULATION IN 1980

CATEGORY	NUMBER	PERCENTAGE	U.S.	RANK IN NATION
BLACKS	1,319,000	22.4%	11.7%	7
WHITES	4,458,000	75.8%	83.2%	40
INDIANS	64,700	1.0%	.006%	13
RURAL	3,059,000	52.0%	26.3%	6
URBAN	2,823,000	48.0%	73.7%	44
OVER 65	708,000	11.3%	12.0%	37
UNDER 18	1,589,000	25.4%	25.4%	38

This, then, is a general profile of the population of North Carolina. We see from it that the state has been attractive to numerous migrants from elsewhere in the U.S. We see also, however, that its rate of growth is expected to slow somewhat in the remaining years of this century. We see that North Carolinians are more likely than residents of other states to be under 65, rural, and black. But how well off are North Carolinians? In the rest of this report, we will look at some indicators of the well-being of our population, such as its health and income, and some of the resources on which our future progress is based, such as education and environment. We will ask in each case how our present state compares to our past, how North Carolina compares to other states, and how different parts of North Carolina compare to each other. And we will ask what the future may hold.

FIGURE 1: POPULATION DENSITY BY COUNTY

N.C. Average = 120 per square mile

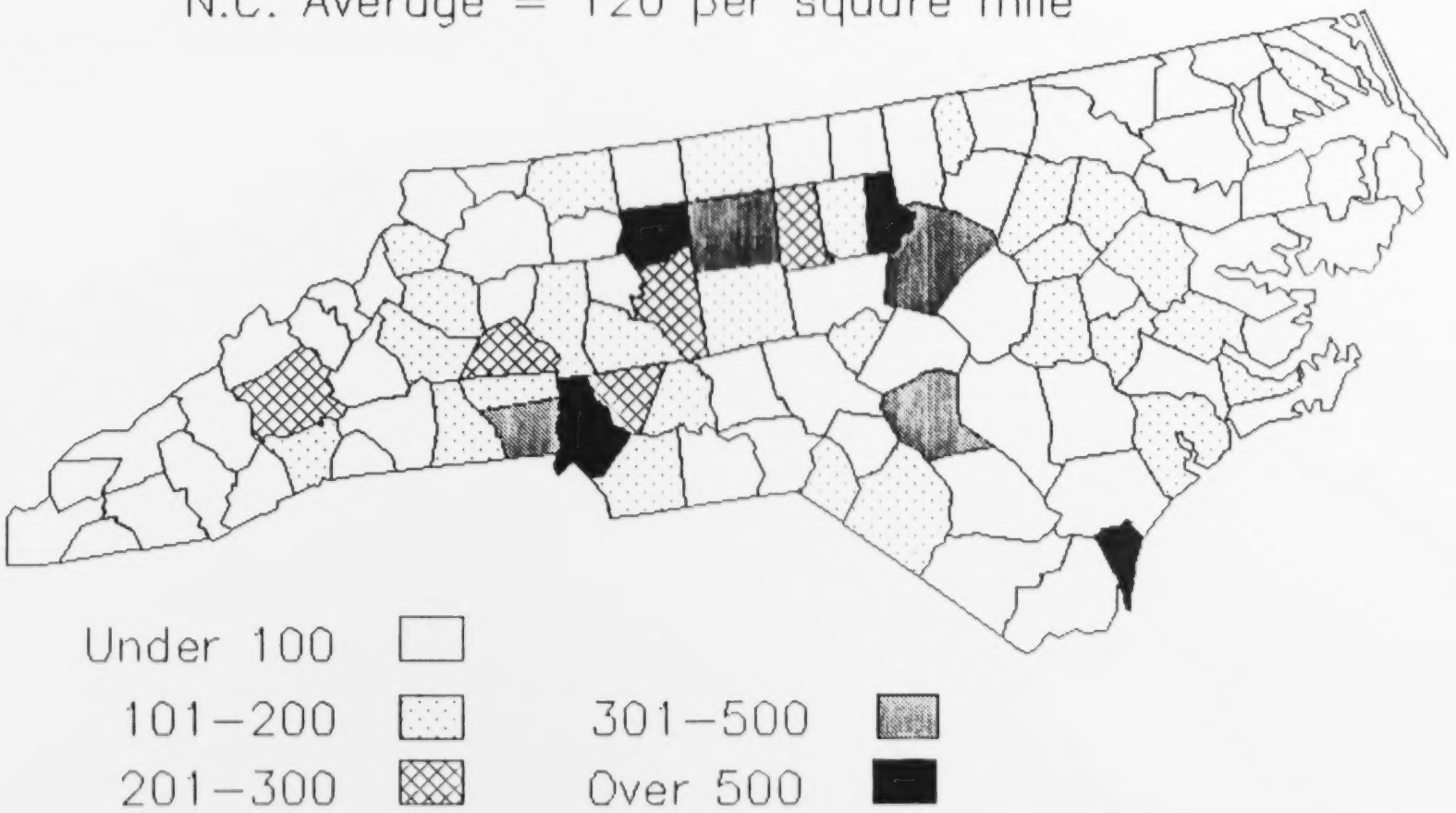


FIGURE 2: PERCENTAGE BLACK BY COUNTY

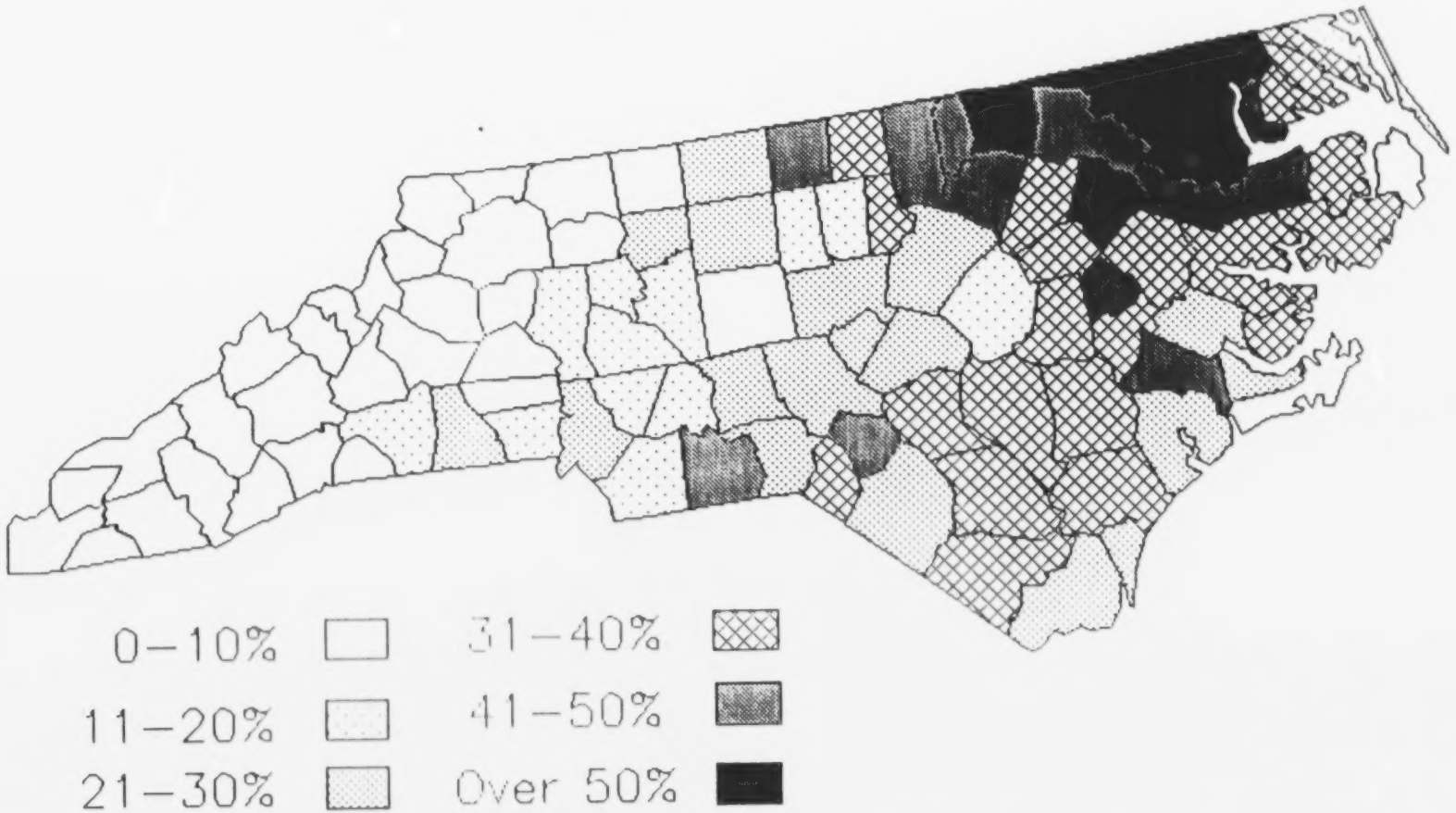
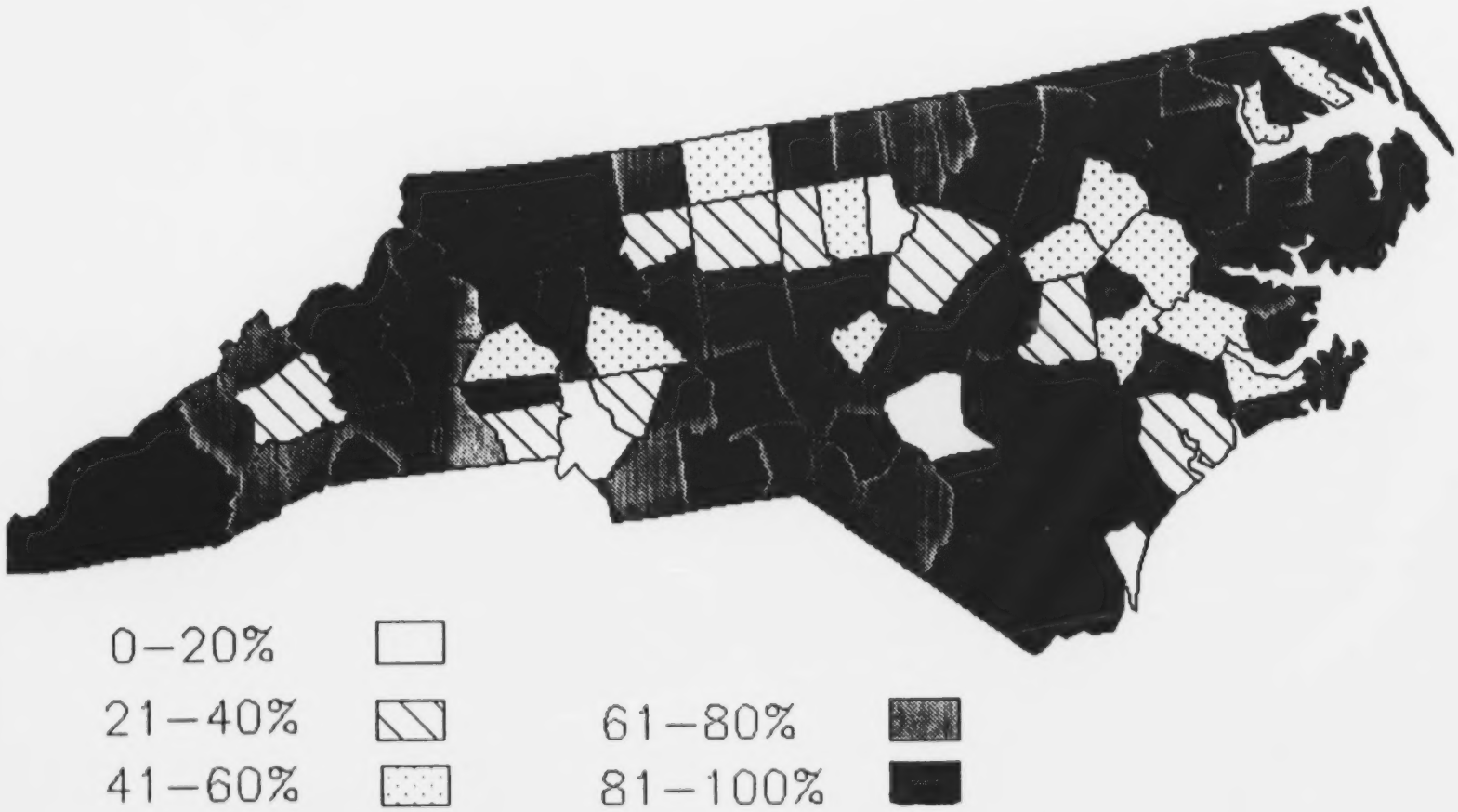


FIGURE 3: PERCENT RURAL POPULATION (1980)



PART TWO: ECONOMY, INCOME AND EMPLOYMENT

Economic indicators loom large in nearly all assessments of public well-being. In North Carolina's case, these perhaps more than any other set of indicators can be the source of either optimism or pessimism depending on one's point of view. North Carolina has seen striking economic growth in recent years and can reasonably hope for more. This growth, however, has been very unevenly distributed within the state. And, even after this growth, North Carolina's citizens remain on average some of the country's least well paid and most likely to suffer serious poverty.

The problem is not unlike that Michael Harrington noted in his famous book *The Other America*, which helped to launch the anti-poverty programs of the 1960s. He wrote of the unprecedented affluence of the U.S., and of the persistent poverty and other sources of dissatisfaction that remained. The catch is that those of us who are relatively well off are sometimes lulled into complacency; we do not personally feel the extent to which others suffer, or even how certain collective goods could better our own lives. Our material growth gives us opportunities which we fail to seize. In the poorest countries of the world, wrote Harrington, "poverty is so general and so extreme that it is the passion of the entire society to obliterate it. Every resource, every policy, is measured by its effect on the lowest and most impoverished." But the U.S., by contrast, "seems to be caught in a paradox. Because its poverty is not so deadly, because so many are enjoying a decent standard of life, there are indifference and blindness to the plight of the poor."

More than twenty years later, Harrington looked at American poverty again. The intense activity his earlier book had helped to spark had died down. Americans focused their attention on other goals, often the more selfish material concerns of the so-called "yuppie." As it had in 1962, his attention turned to Appalachia, including North Carolina's corner of it:

> Appalachia is, alas, a classic case of the old poverty, and generalizations about it that were true a generation ago still hold, even though it was an area singled out for special help in the sixties.

There had been improvements, but they had not lifted the poorest out of poverty. The poverty rate in Appalachia had been cut in half between 1960 and 1980. But, as a 1987 research report from The Appalachian Center at The University of Kentucky notes, the poverty rate in Appalachia is still nearly twice the national average. There are a significant number of counties whose situation simply hasn't changed much since the 1960s.

Poverty is not the only economic concern for North Carolinians. Economic changes threaten middle class standards of living for some. In other words, they have traditionally middle class jobs, and middle class incomes, but cannot afford what is generally regarded as a middle class standard of living. In general, these changes have brought a new level of inequality. Where American economic growth generally brought greater equality in wages and salaries throughout the 1960s and into the 1970s, this pattern was reversed in the 1970s. Especially in the 1980s, the benefits of economic growth have been more and more unequally distributed. Between 1980 and 1986, the percentage of total U.S. money income which went to the poorest 20% of the population fell from 5.1% to 4.6%. During the same period, the share of the richest 20% rose from 41.6% of the total to 43.7%. Not only the poorest lost in proportionate share; that of the middle 20% also declined while the richest were getting richer.

In North Carolina specifically, questions have been raised about who receives the primary benefits from economic expansion within the state: ordinary North Carolinians? Already well-off senior managers and professionals? Immigrants moving into the state? Or out-of-state stockholders in large companies? Faced with what often appears to be a choice between living with high unemployment rates and trying to lure whatever jobs might be brought into an area (even poor ones), few public officials or local leaders hesitate to choose jobs. The result has been a rush to try to attract all sorts of employers into the state—a rush in which North Carolina's counties and towns compete against each other and in which the state as a whole competes against other states. Tax concessions, incentives, subsidies, exemptions from environmental and other regulations are often granted companies which relocate; it is not clear whether this has any major effect on attracting firms offering good jobs, but in some cases, at least, this puts severe long-term limits on public revenues and equally severe strains on public resources.

More to the point, the choices facing local communities (including non-metropolitan communities) are much broader than just poor jobs versus no jobs. Jobs can come from a variety of sources. A recent report from MDC Corporation ("Three Faces of Rural North Carolina") has stressed the different strategies open to those pursuing local economic development—and the differences in rewards. Some seemingly very disadvantaged communities have been able to grow their own businesses locally, even though the state and most local governments put far fewer resources into support of such efforts. Increasingly, it is becoming recognized that such local entrepreneurship is a more effective basis for long-term economic growth in a community than simply attracting a major industrial employer. At the same time, even large industrial firms are changing in their orientation. The days of massive facilities oriented to highly repetitive, large scale production through assembly lines and low-skilled workers is past. As Michael Piore and Charles Sable stress in *The Next Industrial Divide*, firms' strategies focus increasingly on automation and flexible production techniques; plants employ fewer people. A factory which once took a workforce of several hundred to generate $15 million dollars in annual sales may do so today with twenty-five workers (and a correspondingly higher investment in fixed capital—machinery, buildings, etc.).

In this section, we will examine a variety of indicators of how well North Carolina stacks up economically. There is both good news and bad news. The basic trend has been toward improvement, for example in per capita income levels. But even though North Carolina is a national leader in rate of improvement (one of the top ten states during the 1980s), because of its low starting point it remains stuck in the bottom third of states when actual income levels are compared. If we compare ourselves to our own past, we are getting richer. But if we compare ourselves to other states we remain relatively poor. North Carolina ranks 49th in the U.S. in average hourly wage rates for manufacturing workers, but it also ranks 43rd in unemployment rates. A lot depends on what questions one asks and what indicators one examines. We will repeatedly see how much one's perspective matters. Just as the same glass may be seen as half empty or half full, one citizen's "good business climate" may be another's "exploitative economic environment".

In looking towards the future, we will need to look behind the simple numbers to examine trends in different kinds of jobs, and to ask what sorts of possibilities are open to different sorts of citizens and different sorts of communities. For example, much of the recent growth in the state has been based on attracting firms relocating from elsewhere in the U.S. There are indications that the payoffs to this strategy may be declining, as fewer firms will be likely to move, as more localities compete for them, and as they demand greater concessions. What are the prospects, we will ask, and what are the conditions for shifting development strategy away from recruiting existing firms towards growing more local businesses? And again, the economic future and the appropriate development strategy may look very different for Gates County, Avery County and Wake County. There is not necessarily one right economic answer for the whole state of North Carolina; local and regional differences need to be taken into account.

For much of its history, North Carolina has been a relatively poor state, even in comparison with other states in the generally poor South. In recent years, however, North Carolina has prospered as part of the general "sunbelt" boom, and gained at a faster rate than most other sunbelt states (see Figure 4 and Table 3). During this period of growth, long-standing disparities among regions and social groups within the state have largely been preserved and in some cases increased; new disparities have also arisen. We will look first at the more general patterns and then at the various differences within them.

Inflation accounts for part of the high growth rates seen in Table 3. Nonetheless, North Carolina's per capita personal income has grown in real terms. Several factors help to account for this. One is the higher percentage of the state's citizens who are working. Total employment in North Carolina grew by just over 10% between 1980 and 1985, the 18th fastest rate in the country. Since the total population grew by little more than 6%, this means that nearly 4% of the total 1980 population had moved from non-employment to employment by 1985. A relatively high rate of female labor force participation accounts for part of this. Similarly, in 1985 North Carolina enjoyed the relatively low unemployment rate of 5.4%, the ninth lowest in the country. (See Figures 5 and 6). North Carolina has remained among the states suffering least from unemployment.

TABLE 3: PER CAPITA PERSONAL INCOME IN THE SOUTH

STATE	AMOUNT	RANK IN REGION	RANK IN NATION	% CHANGE 1980-85	RANK IN REGION	RANK IN NATION
Maryland	15,864	1	7	52.5	5	14
Virginia	14,452	2	11	57.0	3	6
Florida	13,742	3	19	62.8	2	4
Georgia	12,543	4	31	63.6	1	3
North Carolina	11,617	5	37	54.4	4	10
Louisiana	11,274	6	38	36.8	12	40
Tennessee	11,243	7	39	45.1	7	27
Kentucky	10,824	8	44	37.8	11	36
Alabama	10,673	9	45	43.2	9	31
South Carolina	10,586	10	46	49.0	6	18
Arkansas	10,476	11	48	44.7	8	28
Mississippi	9,187	12	50	39.4	10	34

FIGURE 4: TRENDS IN PER CAPITA INCOME

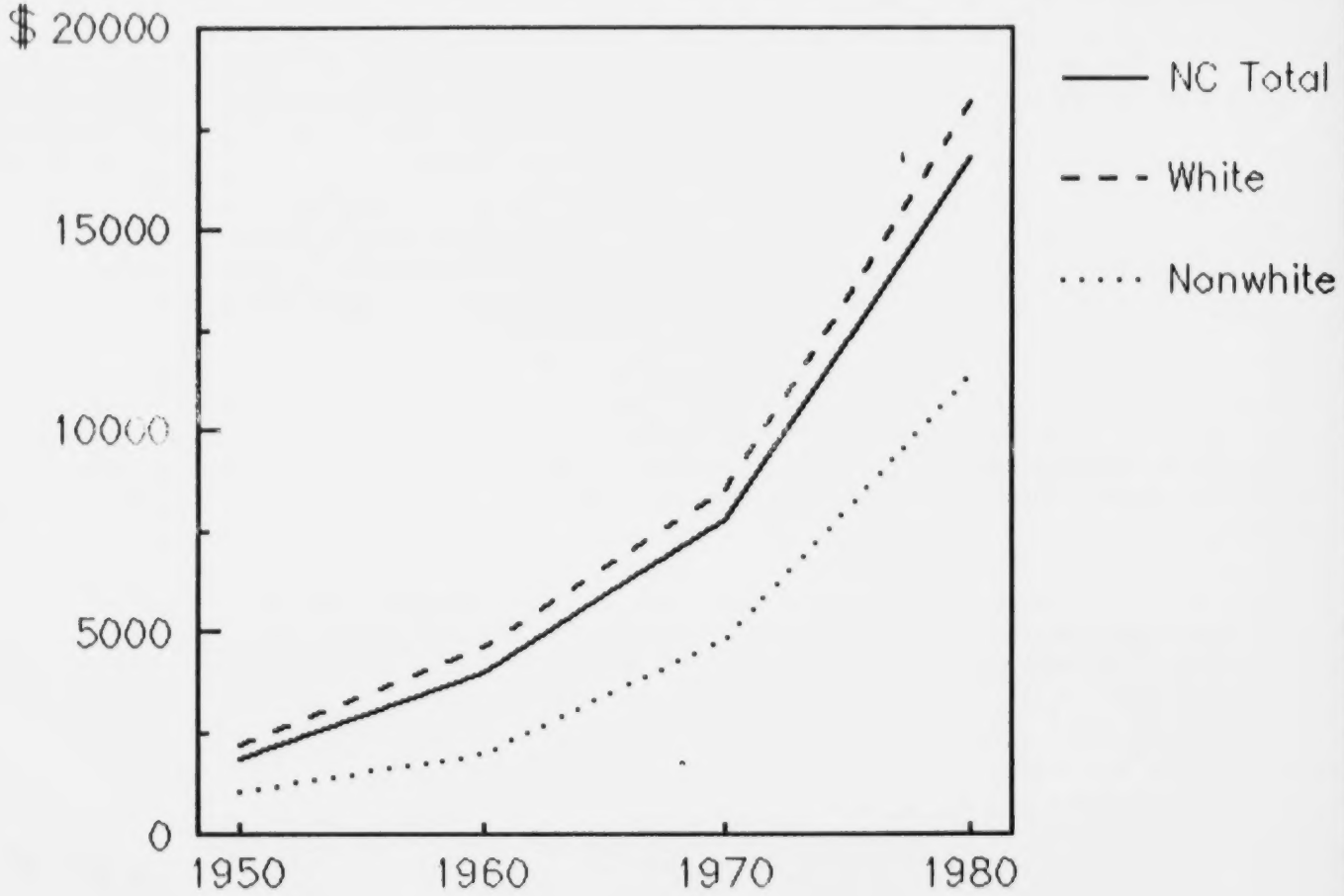


FIGURE 5: TRENDS IN UNEMPLOYMENT LEVELS

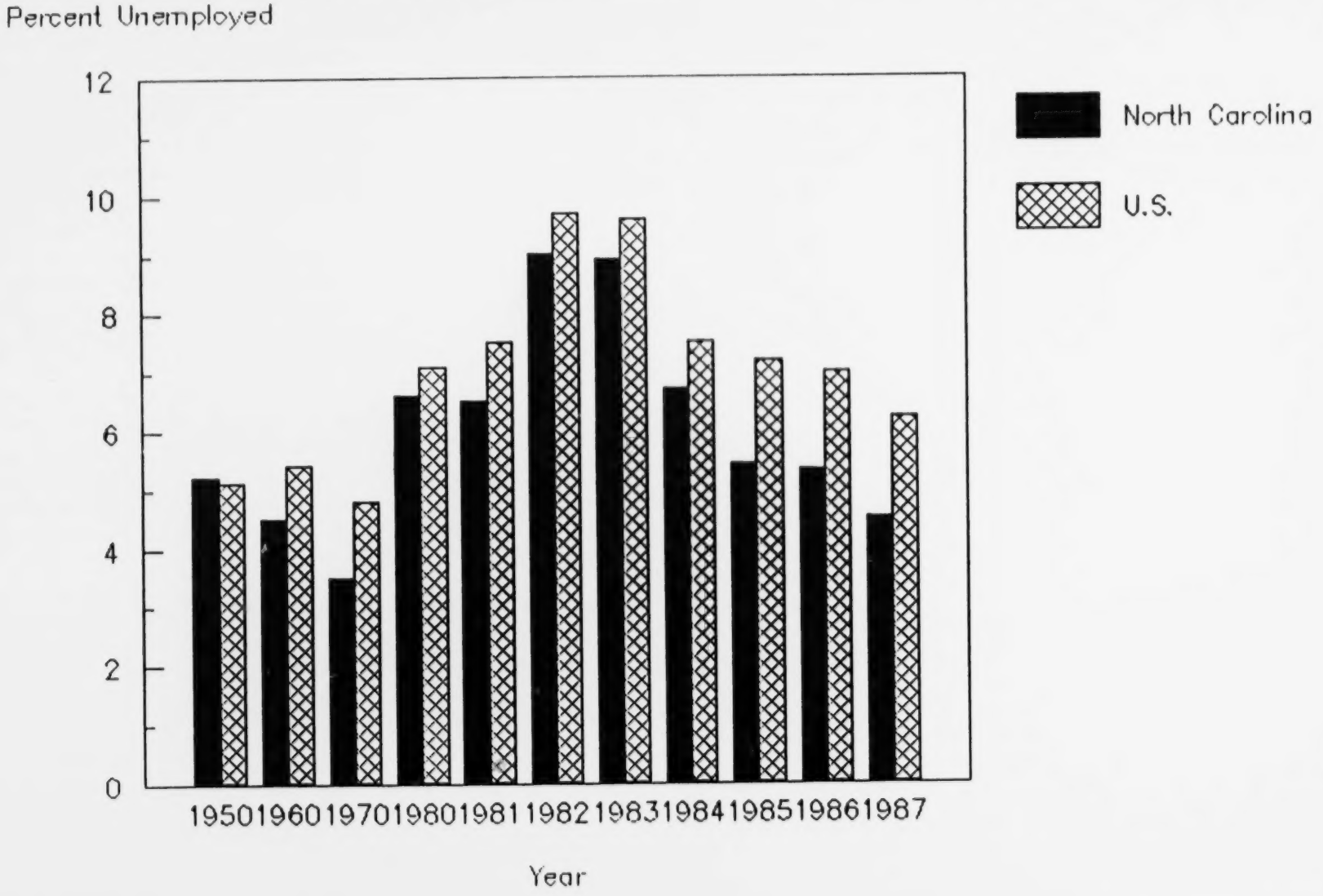
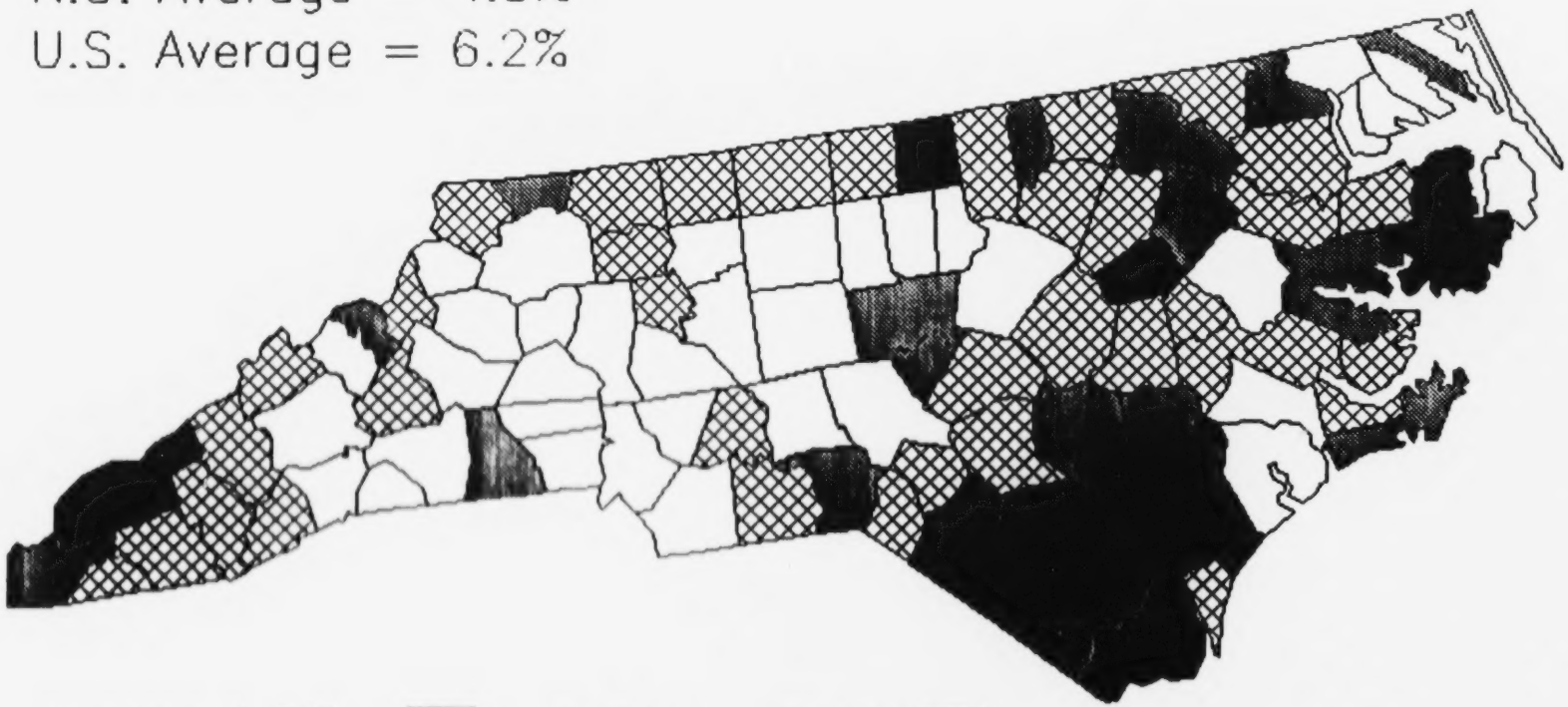


FIGURE 6: UNEMPLOYMENT BY COUNTY, 1987

N.C. Average = 4.5%
U.S. Average = 6.2%



Another source of gain in per capita income is the creation of new, relatively high wage jobs in the state. As Figure 7 shows, per capita income varies considerably among the regions of North Carolina. Some of these regions have benefited from an influx of white collar executive, research and other well-remunerated positions. Others have seen no job growth at all, while still others have seen growth only in relatively low wage industries. One of the most disturbing trends in North Carolina, as in the U.S. nationally, is growth in the number of people who work full-time and still live in poverty. Jobs at or near minimum wage level have grown rapidly. Yet working at minimum wage 40 hours a week, 52 weeks a year, with no vacation or sick leave, would yield an income of $7968 before taxes. This is only 73% of the official poverty level for a family of four. Figure 8 breaks down the households of the state in terms of their effective buying income (that is, the amounts they have available from all family members' employment and from any other sources, including welfare). Even when all is totaled, about a fifth of North Carolina households had less than $10,000 to spend in 1987; at the other extreme, about a tenth had more than $50,000. Not surprisingly, this sort of disparity in income is reflected in disparities of living conditions. Class and region intersect to keep numerous North Carolinians in substandard housing, for example. Figure 9 reports data that seem in some ways an embarrassing throwback to the "bad old days" before the War on Poverty, but they are from the U.S. Census of 1980. While only 4.1% of North Carolina households must go without indoor plumbing, in such counties as Warren and Gates, nearly five times the North Carolina average and ten times the U.S. average lack complete indoor facilities. This is a graphic reminder that poverty is not just an abstract matter. And though the majority of poor families in North Carolina are white, low wages and unemployment—like poor schools and substandard housing—are still disproportionately the lot of the state's black and Indian populations.

For the U.S. as a whole, manufacturing work is traditionally the best-paying non-professional employment. North Carolina, however, has one of the lowest average wage rates for manufacturing work: $7.29 per hour compared to the U.S. average of $9.52. Of all the states, only Mississippi has lower wage rates. This low wage rate is partly due to the state's low rate of union membership. Only 8.9% of North Carolina workers belong to unions. Here again, only one state has a lower percentage of its workforce unionized. But low wage rates are also part of an economic trap. Reliance on low wage rates to ensure a profit margin can inhibit capital investment in new technologies. Managerial effort goes into the pursuit of cheap labor instead of high rates of labor productivity. In the long run, however, new technologies may be necessary to competitive success. Economists point out that long term high wages and international competitiveness are linked. The key to both lies in a high rate of productivity or value added per employee hour. What determines how much value is created by an hour of work is partly the skill and effort of the employee, partly the organization of his company, but most importantly the technology with which he works. As Fred Block puts it:

> The point is that the amount of value added per employee hour for industries such as computers ($71.39), semiconductors ($54.12), or automobiles ($42.43) is many times higher than the output of workers in wood furniture ($13.77) or men's and boy's shirts ($13.43). We no longer get richer as a nation by putting more people to work in sweatshops sewing shirts, but by raising the proportion of the labor force in high-value-added activities. Yet this task is in no way facilitated by cheapening the price of labor; it is no accident that when value added per employee is high, so too are wages.

FIGURE 7: PER CAPITA INCOME BY COUNTY

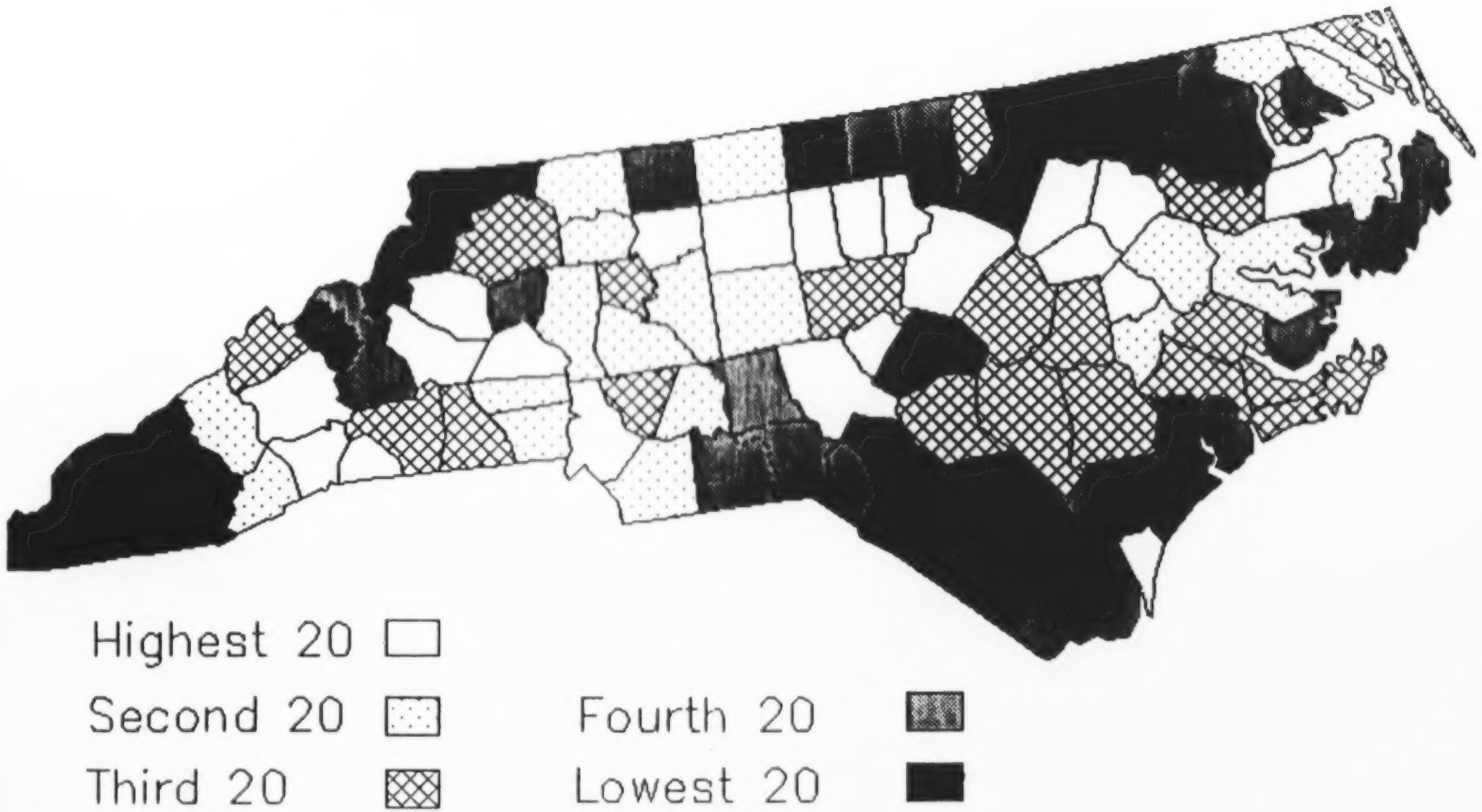
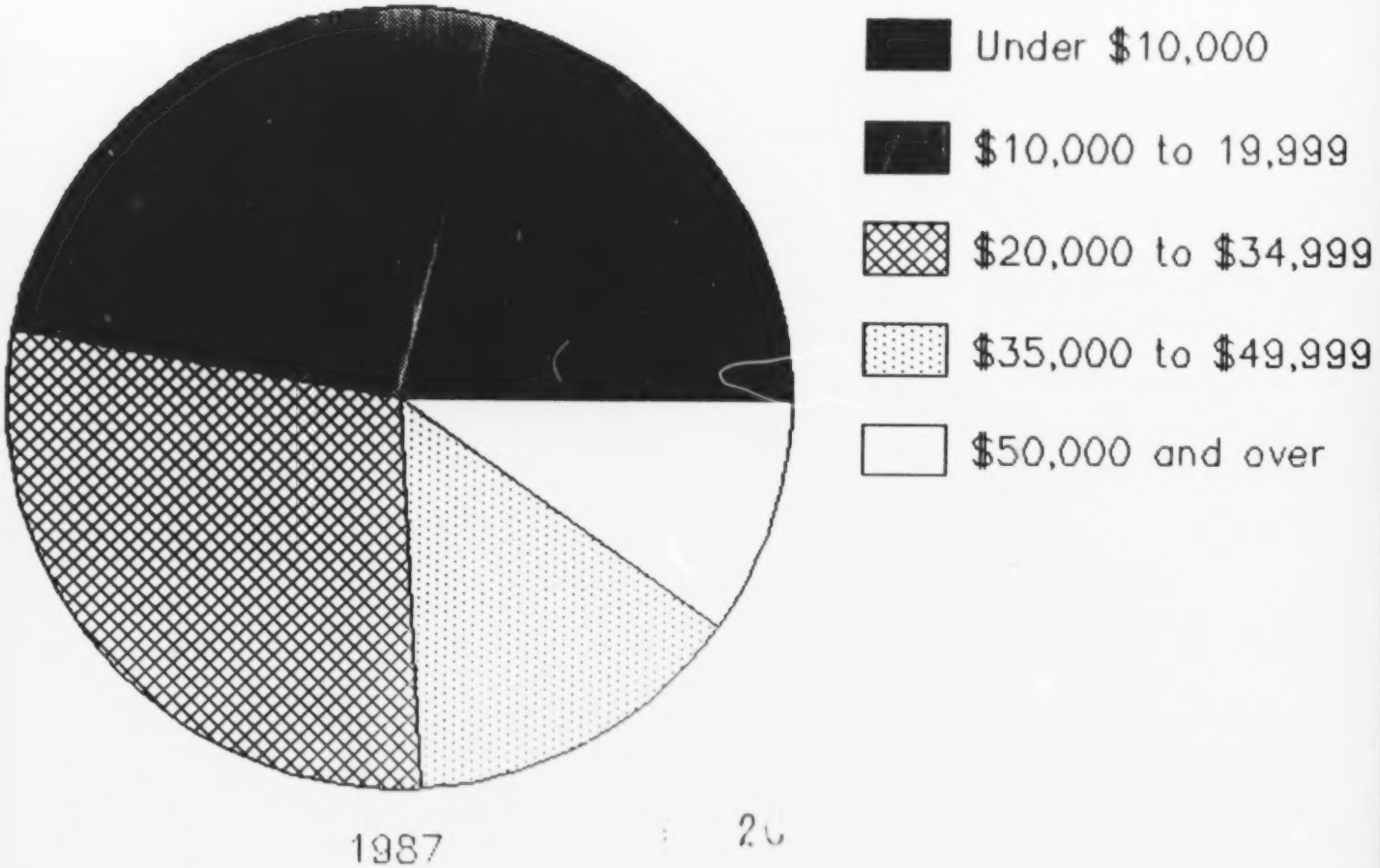


FIGURE 8: N.C. TOTAL HOUSEHOLD INCOME LEVEL

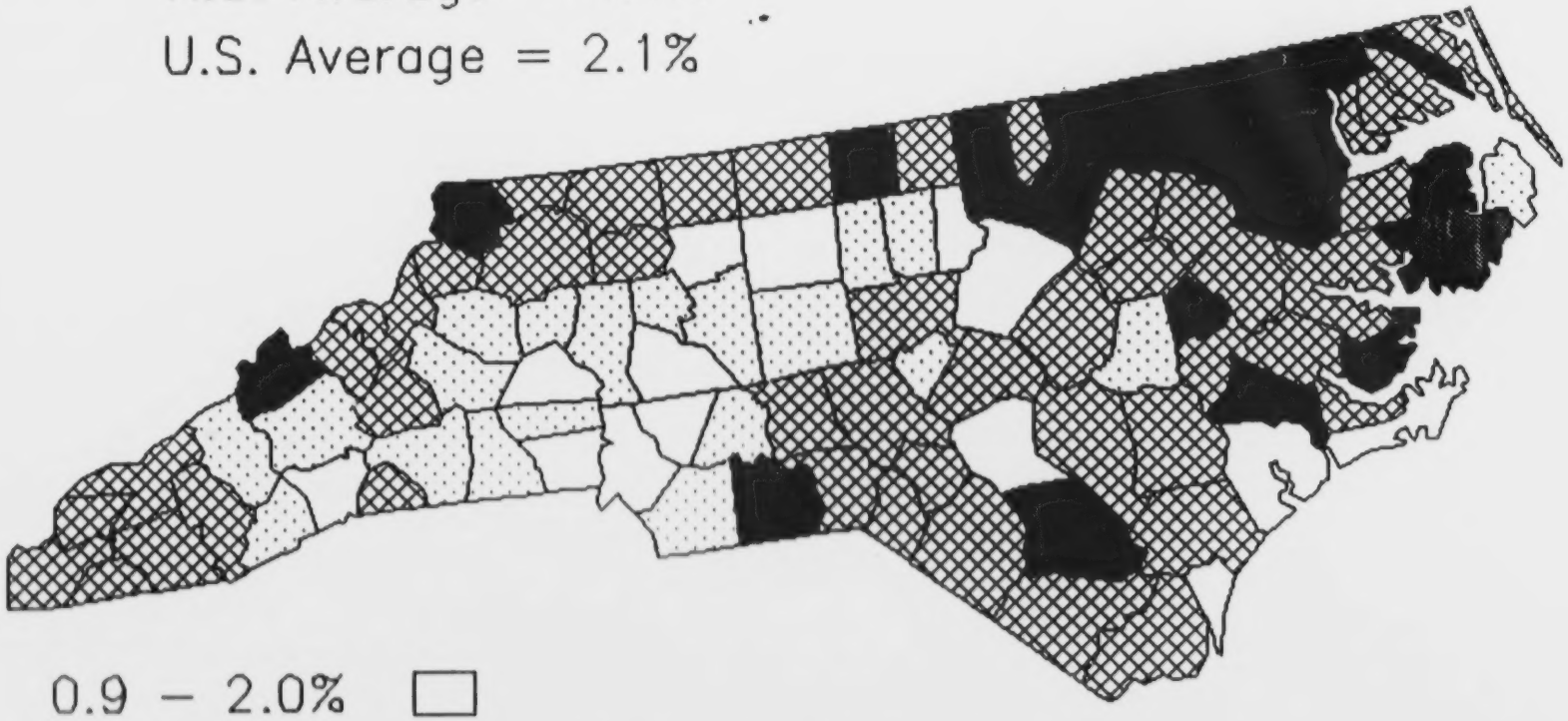


1987

FIGURE 9: PERCENT OF HOUSING LACKING COMPLETE INDOOR PLUMBING FACILITIES

N.C. Average = 4.1%

U.S. Average = 2.1%



0.9 – 2.0%

2.1 – 4.1%

4.2 – 9.9%

10.0 – 14.9%

15.0% – 20.2%

North Carolina is in the midst of transition, it would appear, from being almost completely oriented to low-value-added industries to gaining a substantial component of high-value-added ones. Unfortunately, the latter do not always locate where the former were within the state, and almost never employ those laid off from low wage industrial jobs. The result is a troubled transition at best.

Despite improvement, then, North Carolinians continue to receive much lower incomes than the national average. As one might expect, this is mirrored by lower ownership of assets—wealth—among the state's citizens. For example, North Carolinians rank 44th in the country in the amount of money deposited in banks, per person: only $5,218. This compares to a U.S. average of $7,482 and figures of $12,929 in New York, $11,468 in South Dakota, and $9,529 in Texas (since these figures include business deposits as well as personal ones, they reflect the fact that North Carolina is not home to as many wealthy businesses as some other states). Just as wealth and income are lower in North Carolina than in most of the U.S., so poverty rates are higher (see Figure 10 on how poverty is distributed through the state). In the latest year for which federal government statistics are available, 14.8% of North Carolinians—840,000 people—lived below the poverty line. This was the 11th highest percentage in the country. *Of these 840,000 people living in poverty, 299,000 were children.*

The changing pattern of income distribution affects the overall nature of society, as well as the lives of particular individuals. As we noted above, this goes beyond issues of poverty and unemployment to put increasing pressures on the middle class. Traditionally a strong middle class has been a mainstay of American democracy. "But today," as Congressman David Obey, Chairman of the Joint Economic Committee, comments:

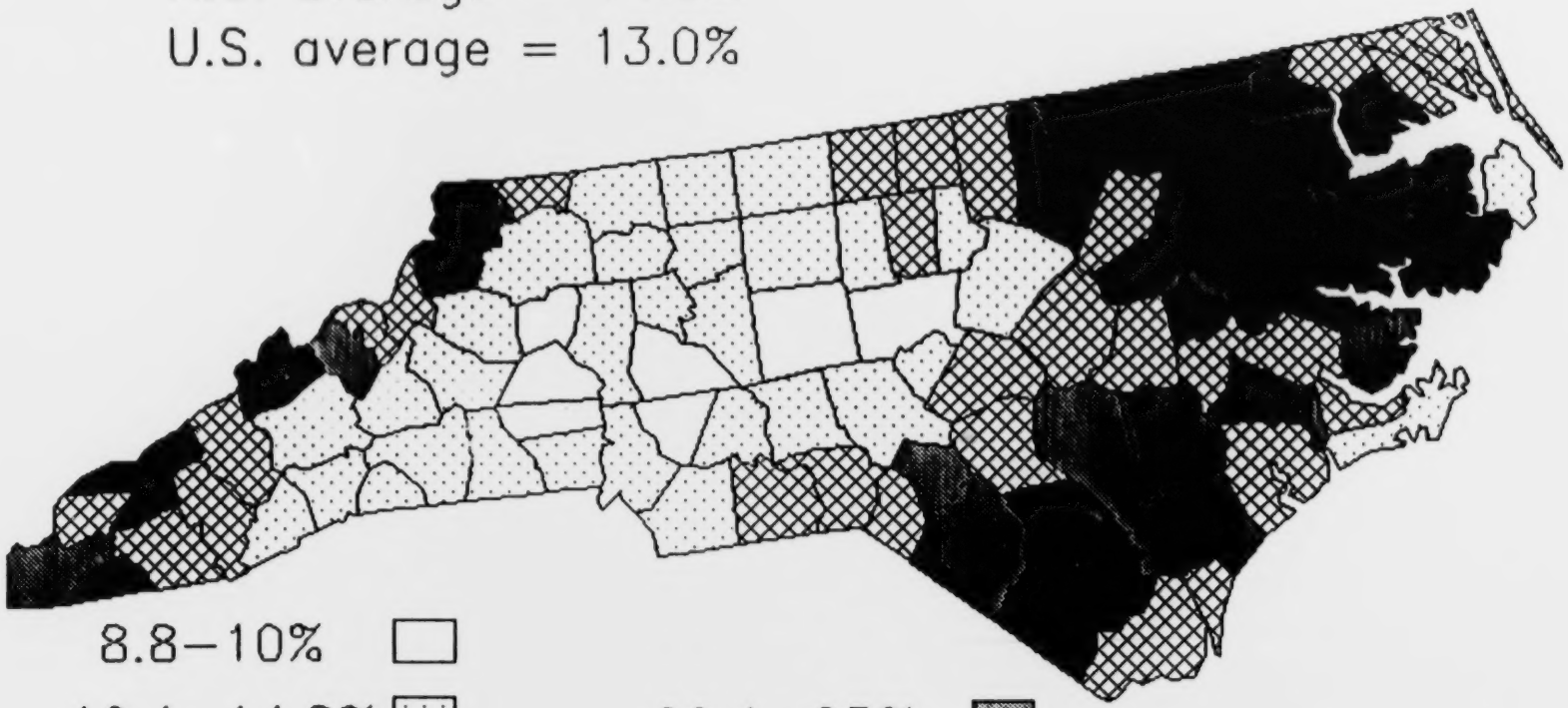
> It is getting harder and harder to earn a middle-class standard of living. Real earnings fell steadily throughout the 1970s, and have not rebounded in the present recovery. The number of prime age individuals who work but are still poor has soared, increasing more than 60 per cent since 1978.
>
> At the other end of the income distribution, the rich, who derive much of their income from the ownership of capital, not from work, are expanding their share of national income. According to the Census Bureau, the gap between the richest American families and the poorest has widened in recent years, and now stands at its highest point since they began keeping statistics in 1946.

Inflation has eaten into many incomes. For an increasing number of families it is essential that two adults work full time. But, most new jobs being created today are not glamorous, high tech positions. Nor are they even middle class in prestige or pay. The Federal Government's Bureau of Labor Statistics reports that the 1980s have brought half a million new jobs for janitors, as many for nurse's aides, 400,000 openings for fast-food workers and 377,000 for general office clerks—but only 133,000 places for computer operators and 112,000 for programmers. The economist Robert Kuttner describes this as part of the "vanishing" of the American middle class. It is vanishing in terms of the proportion of new middle class jobs and the actual standard of living a "middle class" income can provide today.

FIGURE 10: PERCENT BELOW POVERTY LEVEL

N.C. average = 14.8%

U.S. average = 13.0%



North Carolina has one of the highest (according to some counts the highest) percentages of its workforce in manufacturing employment of any U.S. state. This may not bode well for the state's economic future. Throughout the country, manufacturing employment has dropped in importance and slowed in growth. While North Carolina ranks 8th in the amount of manufacturing done in the state (in value added terms) it ranks only 22nd in rate of employment growth.

There is little reason to believe that the outlook for manufacturing employment will improve substantially. North Carolina's attractiveness to employers has been based on the relatively low cost of labor, operating expenses and facilities. But changes in the nature of manufacturing make low labor costs less effective in attracting new manufacturing businesses. And those that do come offer slimmer employment prospects. New factories are more automated, for example, which means that they employ fewer people. Manufacturing employment is actually declining (even in many industries in which manufacturing output is increasing). Between November, 1984 and November, 1985 manufacturing employment declined by 1200 workers in the average U.S. state. *During the same one year period, North Carolina lost 14,100 manufacturing jobs, the fifth largest loss in the country.* Over the longer period of 1980-1985, North Carolina's manufacturing employment level grew by only 0.9% despite the consistent efforts of state and local government to attract new industry to the state. Some industries shrank dramatically; textiles, for example, employed 280,700 North Carolinians as recently as 1970; by 1986 textiles employed only 208,000. North Carolina's overall employment growth depends on services, office work and other non-manufacturing jobs. Service employment in North Carolina grew, for example, by 25.4% between 1980 and 1985. This was the fastest sectoral advance—but service sector jobs are generally the least well paid.

The situation in manufacturing employment is bleak enough that the Southern Growth Policies Board titled its 1985 report on employment opportunities in the non-metropolitan South, "After the Factories." And the report noted not only that industrial employment in much of the South was giving way to new kinds of jobs, but that "the rural South's ability to recover from structural changes in the economy is hampered by its lack of wealth and underdeveloped human resources." Table 4 shows how rates of change in nonagricultural employment in North Carolina compared to the patterns for the U.S. as a whole and for the South Atlantic region. Especially in the areas of office work and services, but also in manufacturing, modern employers tend to want workers with higher education and skill levels. North Carolina's traditional advantage was a large pool of labor that was unskilled but non-unionized and very cheap. These characteristics are now a disadvantage. Employers in information industries, and to some extent service and manufacturing now require a different sort of employee. This is one reason why companies moving to North Carolina have imported so many of their managers and better paid workers from outside the state.

TABLE 4: PERCENT CHANGE IN NONAGRICULTURAL EMPLOYMENT, 1980-85

	TOTAL	MANUFACTURING	SERVICES
NORTH CAROLINA	11.2	0.9	25.4
SOUTH CAROLINA	14.2	1.2	32.1
UNITED STATES	8.0	−4.8	22.8

As noted above, North Carolina is somewhat ahead of the national average in percentage of the population employed. While some 60.1% of the U.S. civilian population is employed, 63.2% of North Carolinians are employed: the twentieth highest percentage in the country. These 2,939,000 workers labor in a variety of occupations. In addition to agriculture, which employs some 293,000 North Carolinians (in full-time, paid jobs), manufacturing, wholesale and retail trade, services and government work are the major occupational groupings in the state. Figures 11 and 12 contrast current and projected levels of employment in various occupational categories, while Figure 13 shows the proportionate size of each category within the state's nonagricultural workforce. Earnings rates vary not only by occupation but by location within the state. Indeed, both the absolute and the proportionate wages paid to workers in the same occupational categories varies significantly among locations. For example, in Alamance County manufacturing workers averaged $240 a week in 1982 while those in trade received $189.54 and those in finance, real estate and insurance received $300.88. In Brunswick County, by contrast, manufacturing workers received an average of $428.16, while those in trade earned only $139.99 and those in finance, real estate and insurance received $211.54.

Along with manufacturing, agriculture has been a traditional mainstay of North Carolina's economy. In fact, North Carolina has the largest number of rural residents of any state in the U.S.: 3,058,914 in 1980 (in percentage terms, this is exactly twice the U.S. average for rural population). But agriculture is now under pressure as well, perhaps even more severe pressure than faces manufacturing. Between 1980 and 1986, the average acre of farmland in North Carolina lost 7.6% of its value. *Between 1974 and 1982, more than 900,000 acres of farmland were removed from agricultural use as the number of farms in the state shrank from 91,000 to 73,000.*

Recent years have seen decline in the farm economy nationwide. North Carolina is by no means the hardest hit, but our farmers share in the general crisis of family farming in the U.S. North Carolina's farmers have debts amounting to an average of 21.1% of the value of their assets. In 1985, farm income averaged 26.2% of debts owed. Despite these problems, North Carolina's farm economy is fairly strong compared to most of the country. This income to debt ratio is the 9th best in the U.S. While family farming may decline in proportionate terms in North Carolina, it would seem to have enough vitality to endure as an important part of the state's economy for generations to come. Nonetheless, rural prosperity can no longer be based simply on farming. Indeed, rural livelihoods have long depended on a mixture of occupations. A number of the businesses which have moved to North Carolina in recent decades have been located in non-metropolitan settings and employed primarily rural people. As a recent report to the North Carolina Commission on Jobs and Economic Growth summarized:

FIGURE 11: WORKFORCE IN SELECTED MANUFACTURING INDUSTRIES: 1986 AND PROJECTIONS FOR 2000

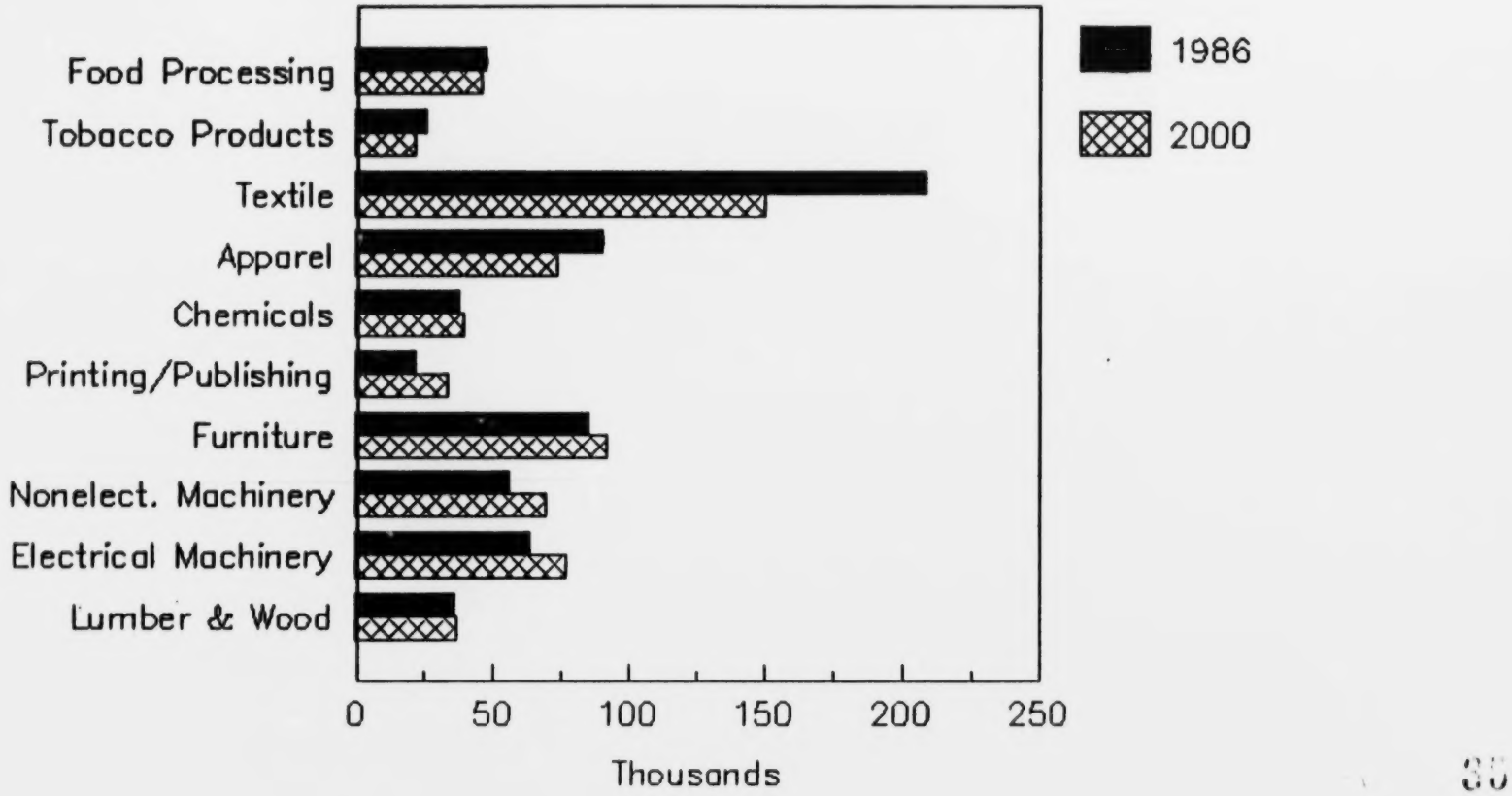


FIGURE 12: PROJECTIONS FOR WORKFORCE BY MAJOR GROUPS

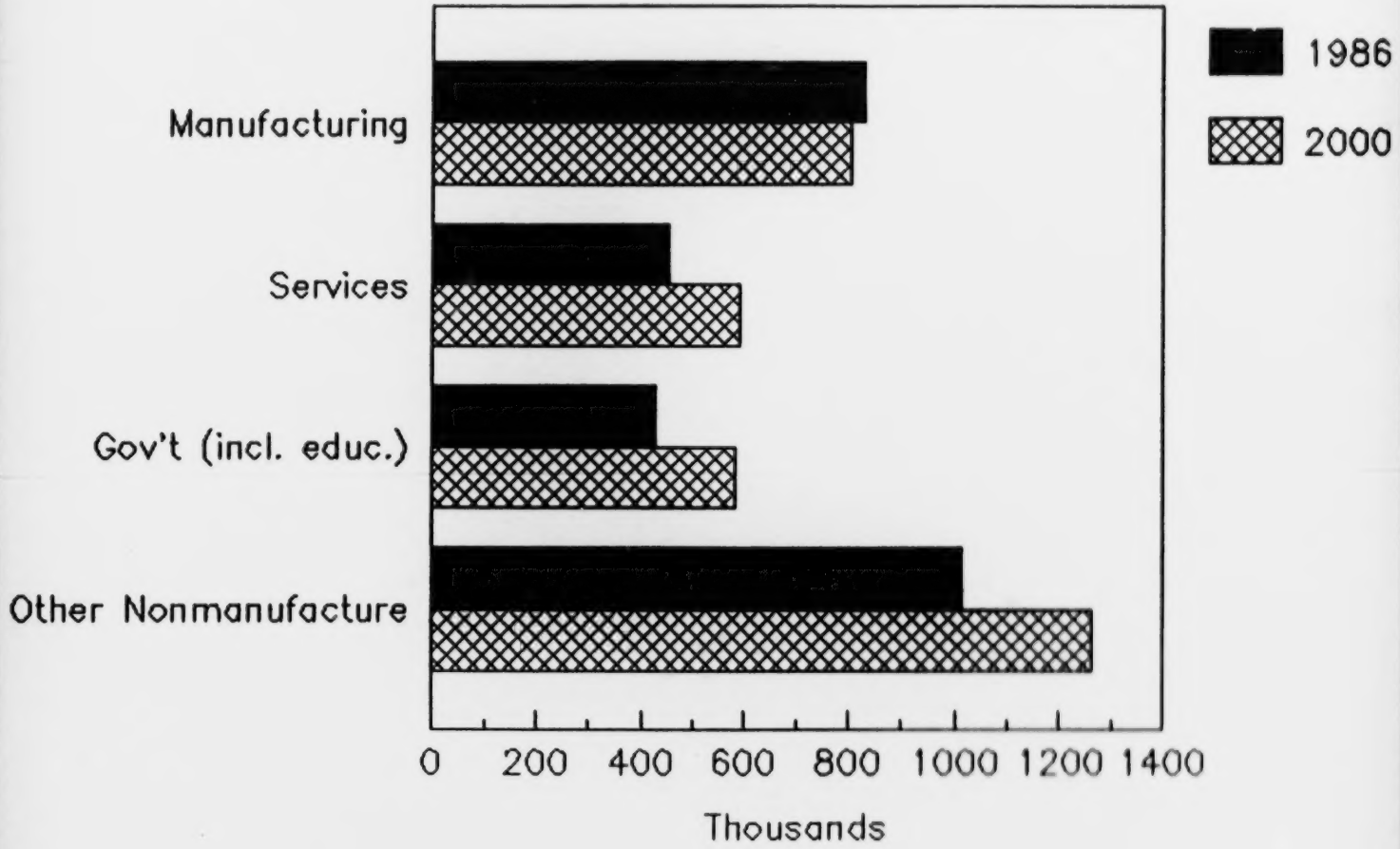
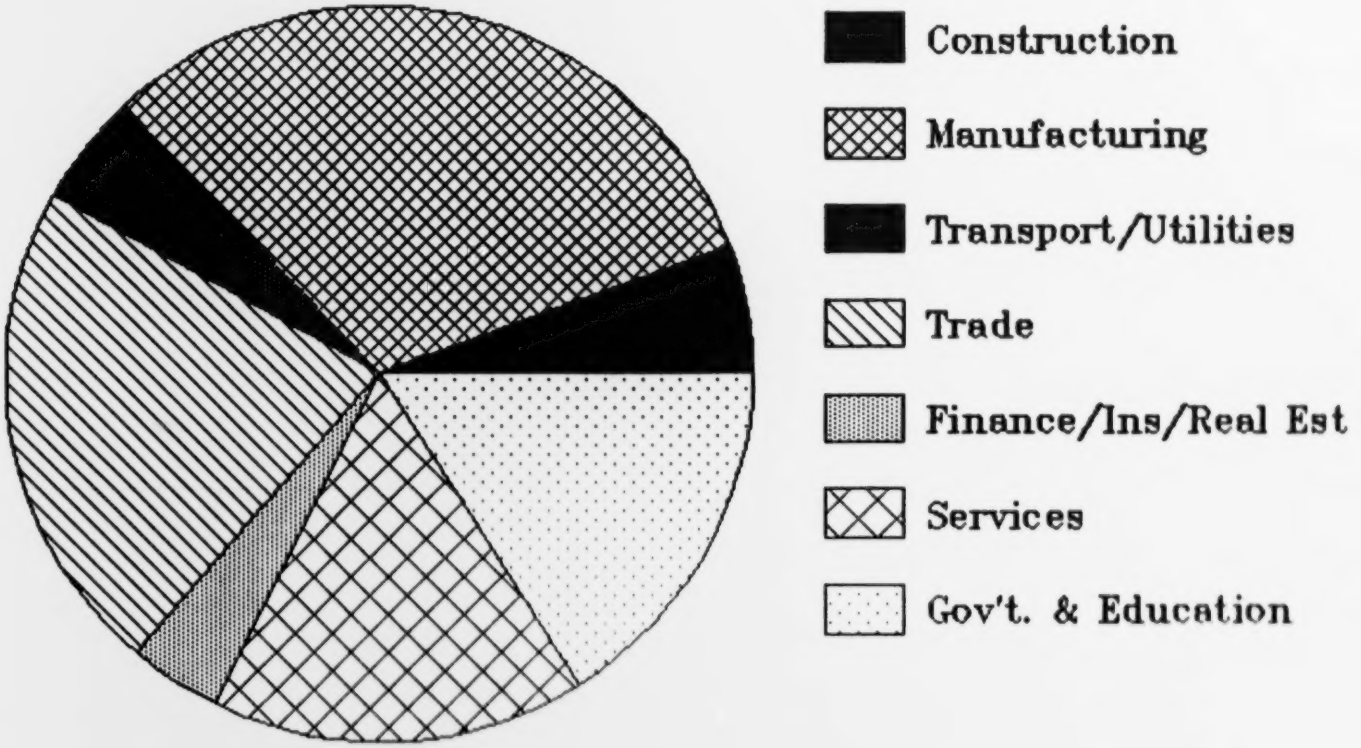


FIGURE 13:
MAJOR NONAGRICULTURAL OCCUPATIONS



North Carolina's rural areas have a number of important advantages over their counterparts in the deep South. More than any other state, North Carolina pioneered a development strategy that scattered growth away from cities and suburbs. Instead, wealth in our state is distributed far more evenly than in neighboring states, and rural areas in North Carolina have been able to industrialize to a greater extent than other states in the South. ...

In addition to its special advantages over other Southern states, however, rural North Carolina also faces some special disadvantages — notably its heavy reliance on tobacco and textiles. Both are in the midst of profound long-term transitions, resulting in sharply decreased rural employment. Since 1980, the state has lost 20,000 farms, mostly in tobacco, while textile employment has declined by over 20,000. ... per capita income in nonmetropolitan counties declined from 81.6 percent of the metro average in 1978 to 77.7 percent in 1984. Unemployment rates went from 25.6 percent above the metro rates in '78 to more than 50 percent higher in 1984.

Figures 14 and 15 show the continuing disparity between rural/non-metropolitan and urban/metropolitan North Carolina with regard to income and unemployment patterns (see also Figure 6 on unemployment patterns by county and Figure 7 on income patterns by county).

This split between the relatively prosperous metropolitan and urban parts of the state and the relatively stagnant or declining rural areas is a serious problem for the future of the state (and for that of the U.S. and the world as a whole). Its magnitude is visible even in aggregate population patterns: as Figure 16 shows, a number of rural counties have actually lost population while the state as a whole has grown briskly. North Carolina looks distressingly like the description of Georgia with which the MDC Panel on Rural Economic Development begins its report, "Shadows in the Sunbelt": "We live in two Georgias. We live in an urban Georgia that is booming, prospering, creating new jobs and opportunities; we live in a rural Georgia that is on the decline and losing jobs, people and confidence." Examining rural/urban disparities throughout the South, that panel arrived at three critical findings:

First, the economy of the rural South is facing several negative trends simultaneously. Together these trends have serious long-term implications for the entire region.

Second, Southern states' traditional approach to economic development—industrial recruitment—is not likely to ameliorate the adverse trends facing rural communities.

Third, there are alternative development strategies which can be implemented by state and local governments in the South to promote employment opportunity and economic growth, countering the adverse trends we see today.

The MDC study finds the reasons why manufacturing can no longer be a savior for impoverished regions of the South in the combination of international competition and changing priorities among domestic manufacturers (particularly those related to changing technology, as discussed above). As the economists Barry Bluestone and Bennett Harrison have suggested, for manufacturers interested primarily in low wages, the South is often just a way station en route to the Third World (*The Deindustrialization of America).* The South's agricultural economy is just as deeply in trouble, however. Such traditional crops as tobacco, cotton, peanuts and corn are all declining in their ability to support farm families in the region. Particularly severe in North Carolina has been the recent sharp decline in tobacco production and prices, a decline which is unlikely to be reversed since it is based on long term changes in consumption patterns.

FIGURE 14:
FAMILY INCOME BY RACE AND RESIDENCE

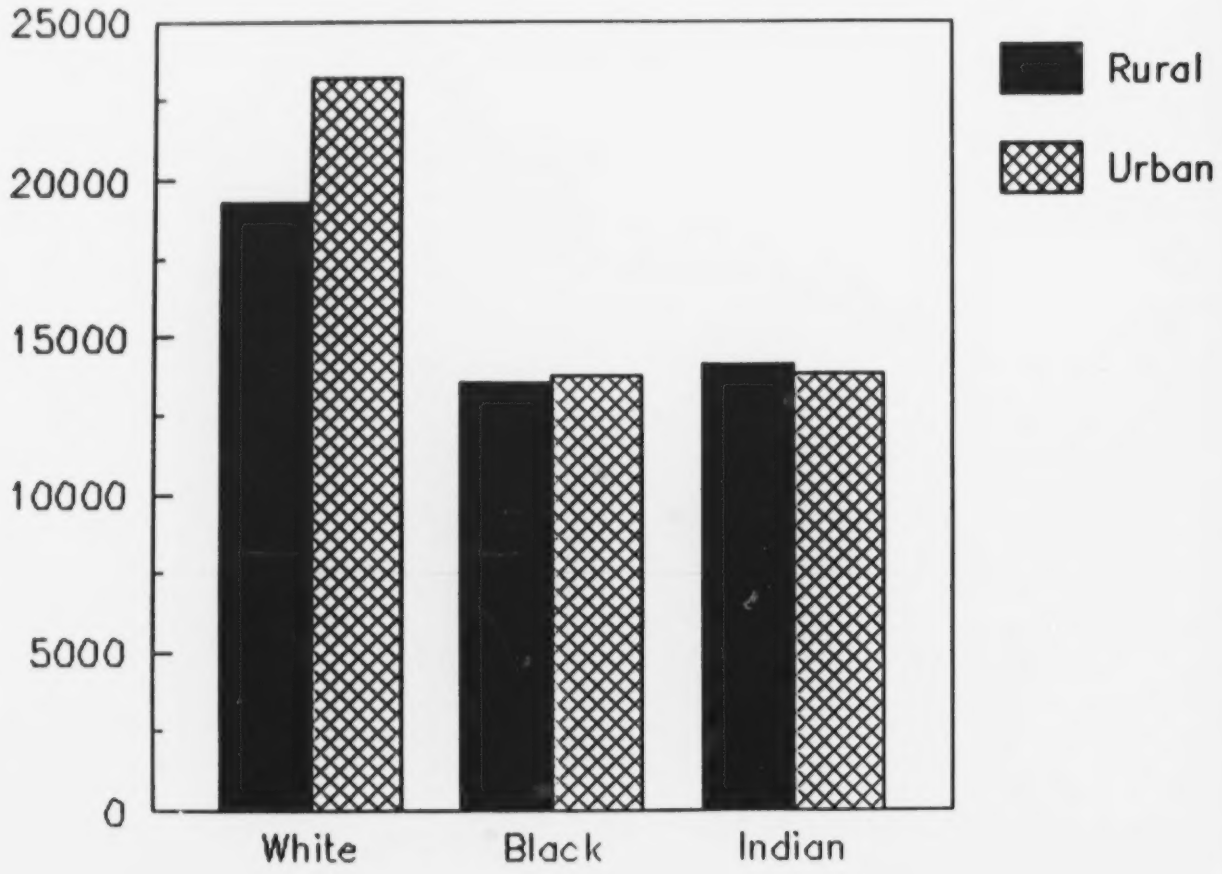


FIGURE 15: EMPLOYMENT DIFFERENCES BETWEEN METROPOLITAN AND NONMETROPOLITAN AREAS

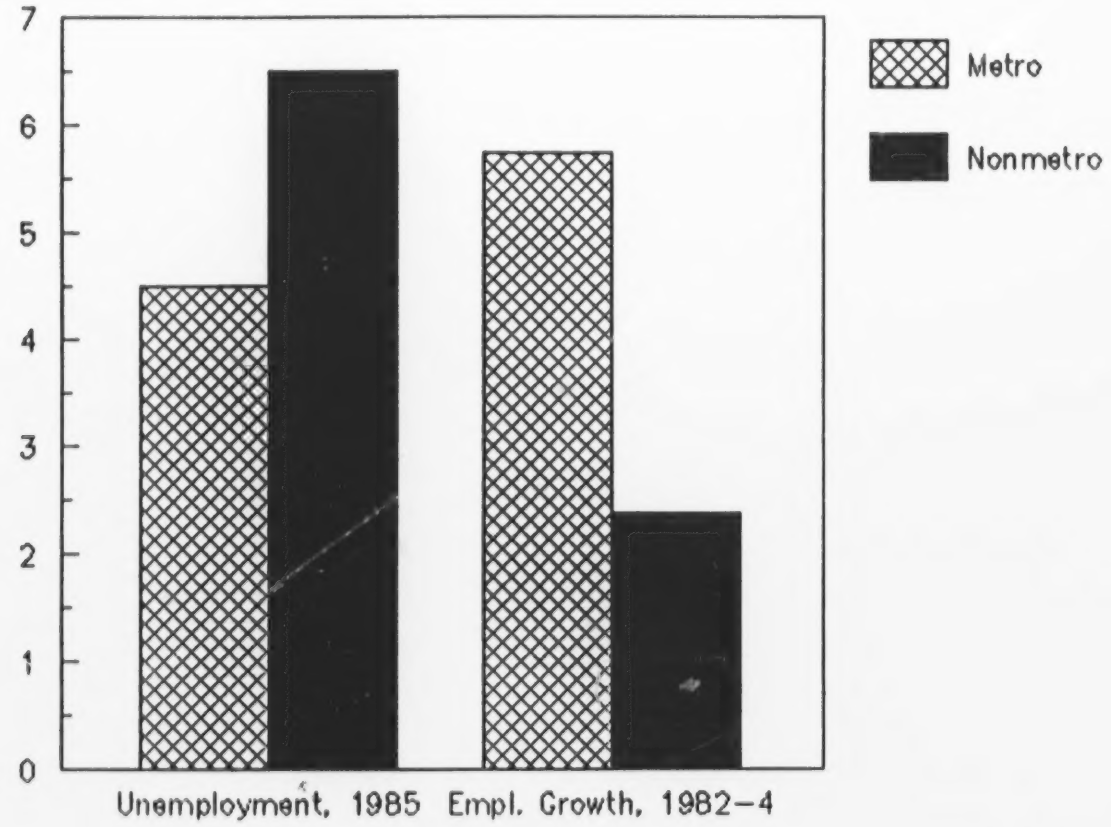
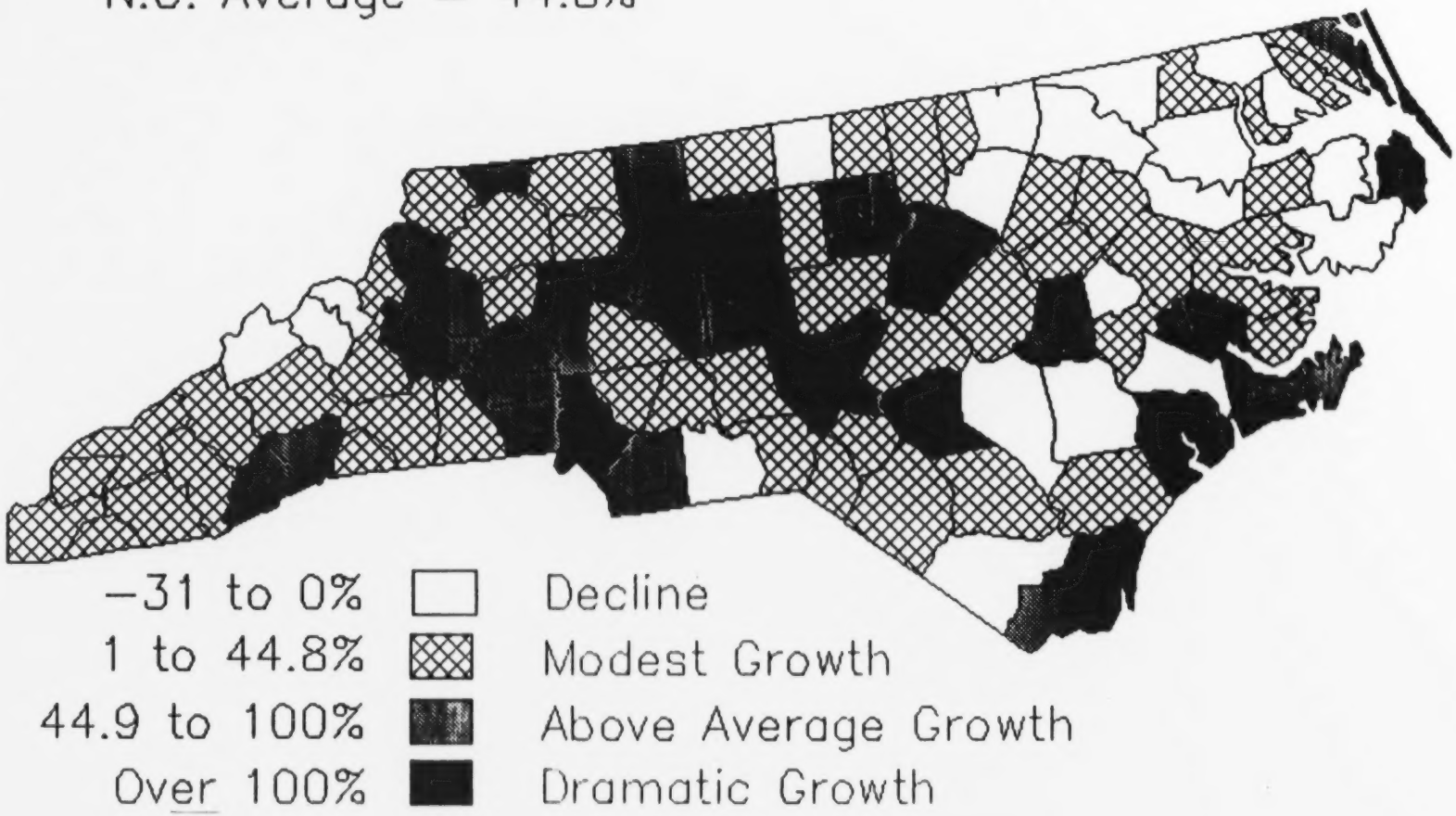


FIGURE 16: POPULATION GROWTH (DECLINE) 1950-80

N.C. Average = 44.8%



The impact of agricultural decline is felt outside the ranks of farm families. The whole range of commercial establishments located in rural communities suffers. Since 1980, for example, the number of farm equipment dealers in the South has dwindled by nearly 20%. Local communities find themselves losing leadership which has traditionally come from the agricultural community, weakening organizations like the PTA, volunteer firemen and rescue squads. The MDC study draws a vivid example of the ripple effect brought about by agricultural decline; its case in point is that of Greene County, North Carolina:

> About 70 percent of Greene's tax base consists of farm land and other agricultural assets; property taxes account for more than half of the county's budget. In the past two years land values have fallen by more than 35 percent while farm equipment values have declined 10-20 percent. Meanwhile purchases of farm equipment such as tractors, combines, and bulk curing barns also dropped sharply. For instance, whereas several hundred curing barns were purchased in Greene during the late 1970s and early 1980s, only one curing barn has been purchased in the last two years. As the Greene county manager explains, "When agriculture is good, things are good all over the county. But when things are bad, it's bad all over the county."

Closely related to changes in the state's agricultural economy are questions about the ownership of one of the most basic of natural resources: land. In 1987, the Institute for Southern Studies in Durham published the most comprehensive study of land ownership patterns and their impact ever undertaken for a U.S. state: *Who Owns North Carolina?* It revealed some surprising patterns:

> ... a mere 45 corporations, government agencies, and families own *one out of every five acres* in the state — 6,000,000 out of 31,200,000. The top 4,000 owners in the state, each with more than 500 acres, control one third of the land from Manteo to Murphy. The 8,000 with more than 300 acres each — representing less than 1.5 percent of the state's population — own 41 percent of North Carolina's land.
>
> The influence of these landowners can be felt in every aspect of our lives. Considering the recent drought, for example, it's worth noting that two of the biggest landowners — Texasgulf and Weyerhauser — consume more water each day for their mining and paper-making operations than the combined needs of the cities of Charlotte, Raleigh and Durham. Politicians and the press routinely bemoan the loss of the family farm, but who's paying attention to the impact of 15 agribusiness operations that now cover 450,000 acres of North Carolina?

The impacts of unequal land ownership patterns are felt in many ways besides water use. Large landowners exert disproportionate influence in local politics. In many of the state's counties they have won special exemptions from property taxes which mean that the wealthiest individuals and corporations pay tax at much lower rates than ordinary citizens. The General Assembly has also granted a variety of special interest tax exemptions statewide to utilities, specific industries and other groups. Forests are depleted and the earth scarred by strip mining (see discussion of environment).

But inequities in the tax system constitute perhaps the greatest problems. Tax revenues which might be put to good public use are lost, and smaller landowners pay higher proportionate taxes. This is not a problem which is uniform throughout the state: some counties are much harder hit than others. For example, there is no uniform system of valuing property in North Carolina. Different county appraisers use different systems. In Iredell County, the system seems to work well: appraisals for tax purposes came to 97.8% of true market value and this level of accuracy was maintained throughout the county. In Caswell County, by contrast, the median tax appraisal was only 76.6% of true market value; this in itself cheated the citizens out of nearly a quarter of the property tax income to which they were legally entitled; public institutions, such as schools, were deprived of funds. Tax appraisals in Caswell County (as in many others) were not only low, they were discriminatory. Some pieces of property were valued as high as 100.6% of market value, while others were valued as low as 52.6% of market value. True market value is the standard for appraisal set by state law. Generally speaking, inadequate appraisal systems in North Carolina benefit large landowners at the expense of small ones. Values are much more likely to be close to true market value for residences than for forests owned by timber companies, for example, thus giving lumber companies a tax break at the expense of homeowners. Many of the same patterns of inequity are evident in the treatment of mineral rights. Figure 17 shows how concentration of landownership varies through the state, while Figure 18 shows how much counties differ in the percentage of true market value which is actually reflected in their appraisals.

In addition to natural resources like land and minerals, economic opportunities in North Carolina, like elsewhere, depend on humanly created resources. Transportation is a good example. The availability of good transport may be a basic condition of many forms of economic development. Yet, in 1986 the state's Transportation Task Force reported that the state road system was falling behind in just keeping up with existing growth, especially in urban areas—let alone trying to foster growth in areas remote from current major highway connections. As the Task Force report sums up:

> North Carolina's growth has been welcomed because it meant more jobs and greater prosperity but growth has not come without costs. In many instances rapidly growing towns and cities have not matched their growth in people and jobs with improvements to their roads, water systems, and other public facilities. As a result many face major problems which will hamper their ability to accommodate future growth.
>
> One problem which is approaching crisis proportions is highways. As population and income have grown, so too has travel. Since 1975 travel has increased at an average of 3.6 percent per year. An ever-greater proportion of our population is working and driving to get to work. Also, there is more travel for recreation and leisure.

The major orientation of this Task Force report and of most transportation planning is to accommodate needs which existing and anticipated use patterns produce. This is important. But if equitable opportunity and statewide prosperity are goals, it is important also to recognize the role which public facilities like the transportation infrastructure play as *bases* for growth and catalysts to job creation.

FIGURE 17: CONCENTRATION OF LANDOWNERSHIP

Percent of county owned by holders
of 300 or more acres

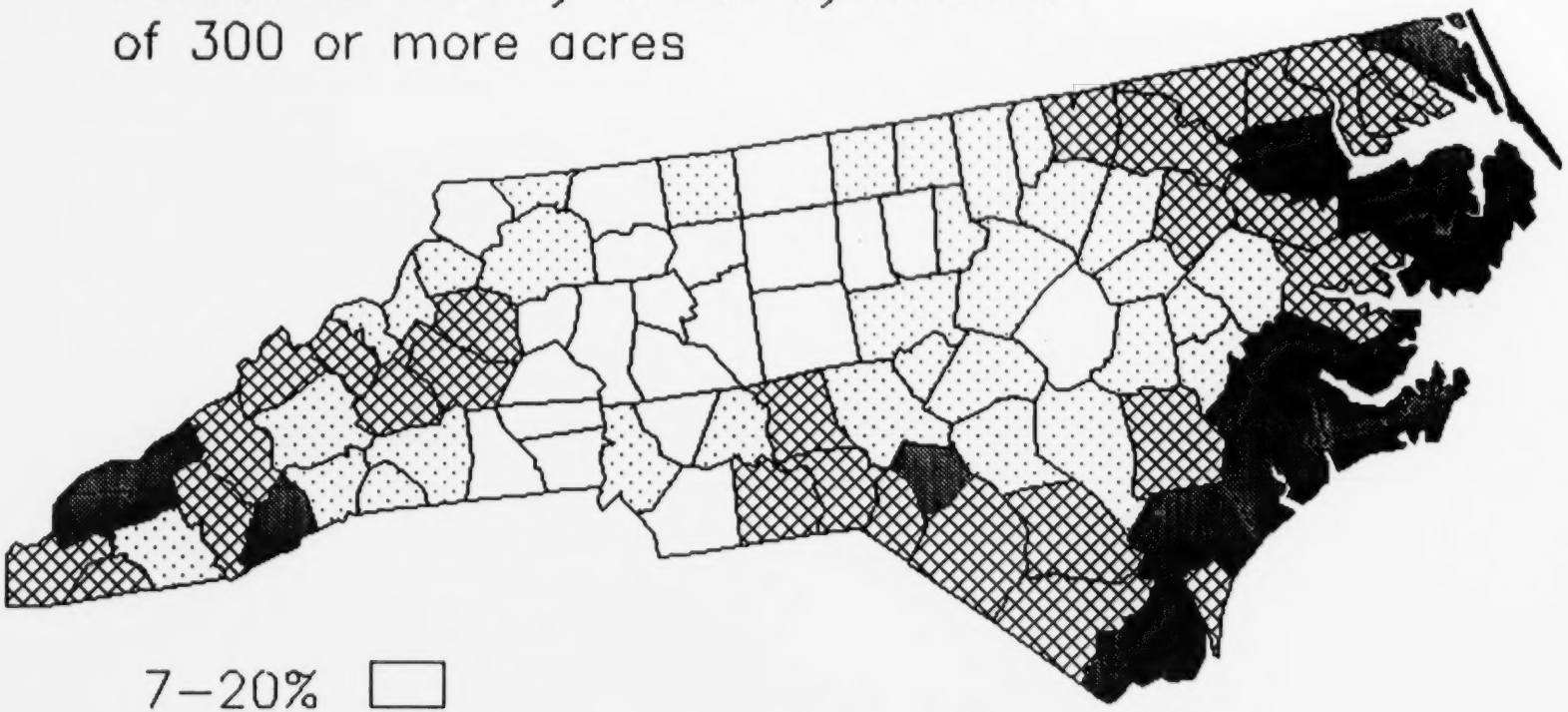
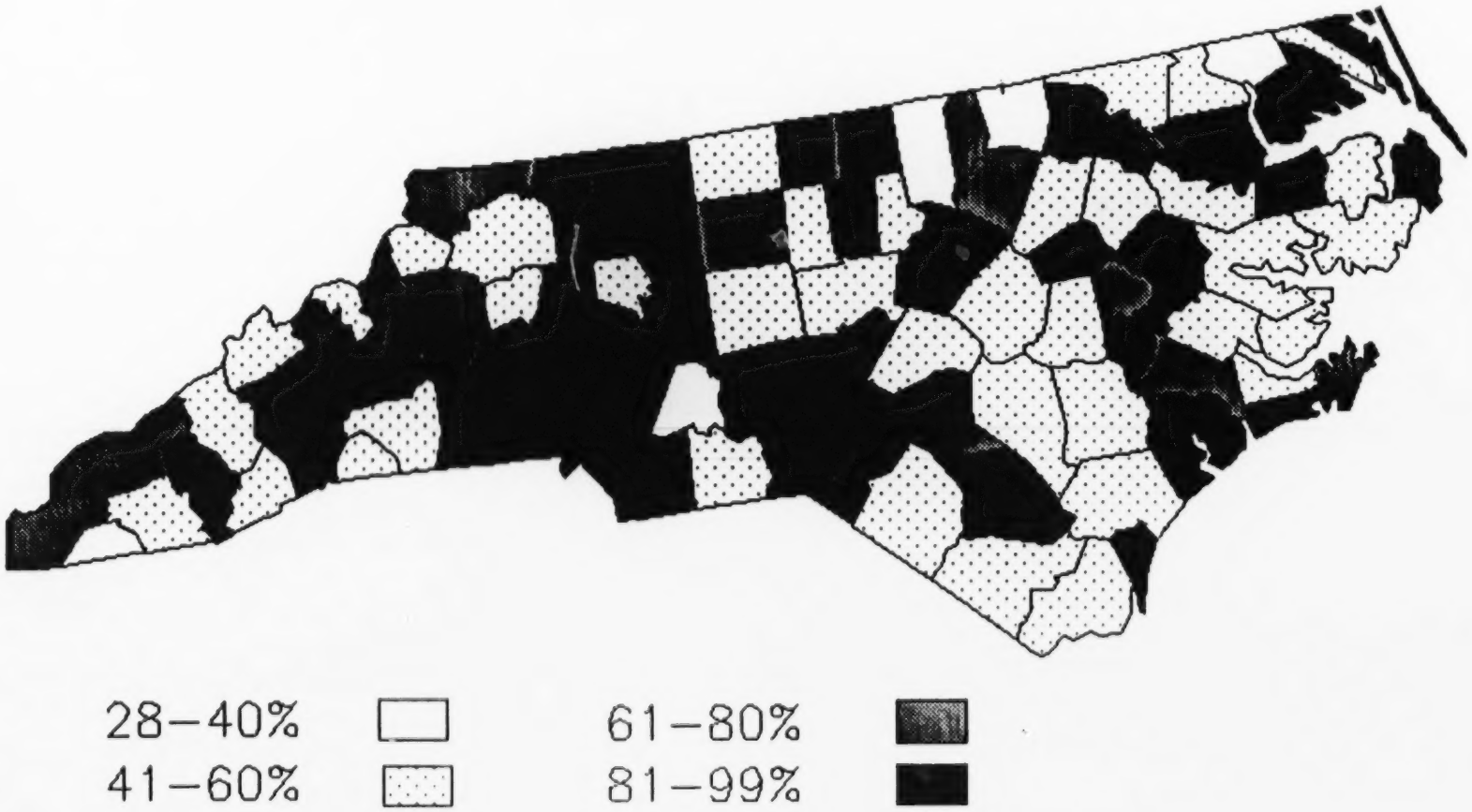


FIGURE 18: APPRAISED LAND VALUE AS PERCENTAGE OF REAL MARKET VALUE



The costs of new infrastructure are only one of the many ways in which the public supports economic growth. Such investments may be planned in advance to provide the best bases for growth or they may be responses after the fact (the latter being both more common and more expensive). But in North Carolina, growth seems in many ways to be an engine set in motion, not a decision left to make. Our state holds economic attractions to businesses from all over, and we have needs more easily met with the rising public and private incomes which growth is apt to bring. But growth has its problems too, as a report called *Project 2000*, sponsored by the Triangle Council of Governments, suggests:

> [Growth] is rolling over the horizon as surely as tomorrow's daybreak. Growth [without planning] can creep across our lives as a pox, choking our highways and scarring the land. Or it can foster an age of progress—better jobs, more parklands, comfortable housing, and convenient transportation.

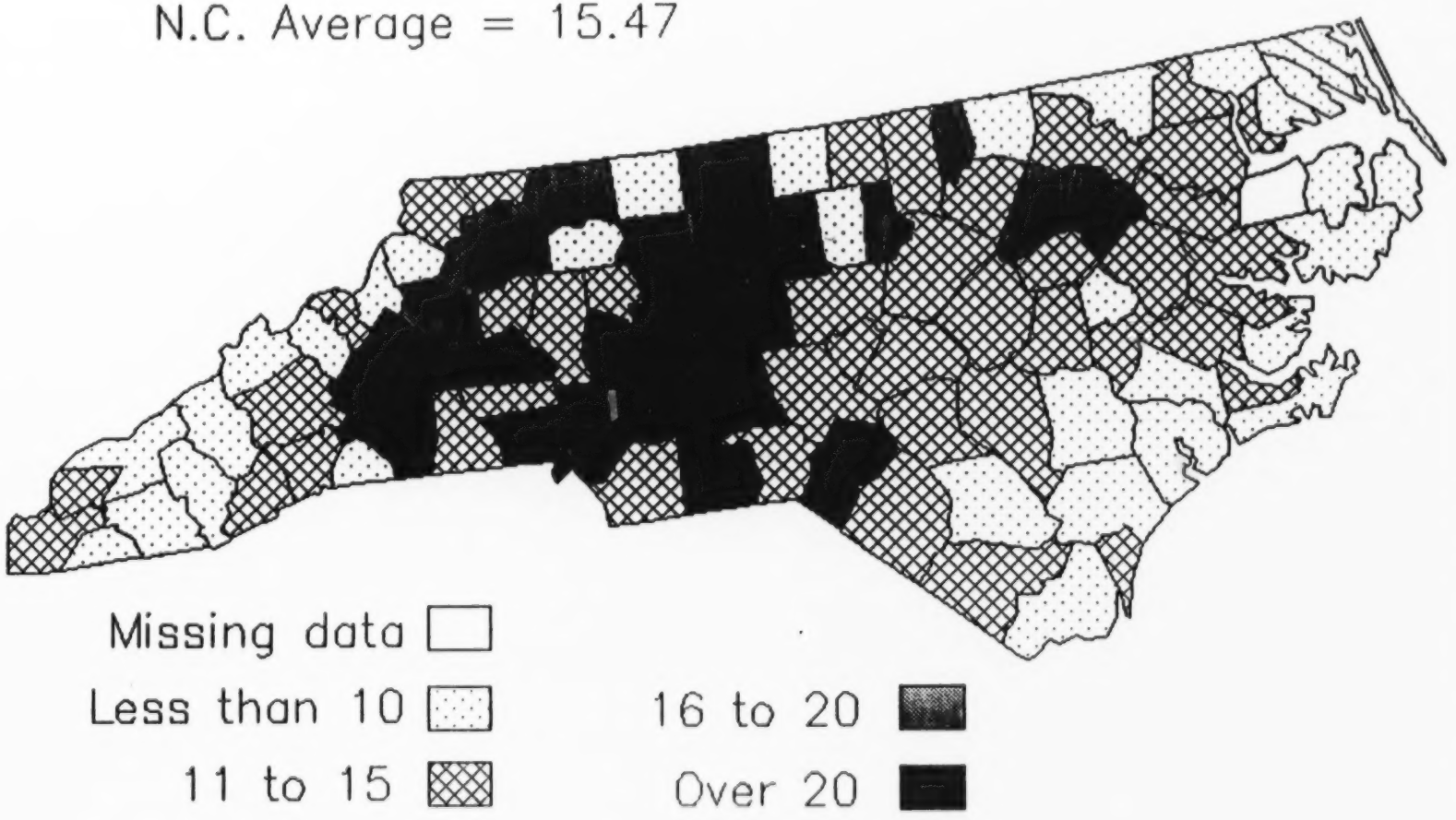
A crucial question about how attractive growth will be has to do with whether disadvantaged North Carolinians are trained (and hired) to work in the new jobs growth brings, or whether the best jobs go to workers imported from outside the state. In his popular book *America II*, the journalist Richard Louv describes the Research Triangle area as "a green paradise ... the ultimate America II settlement, a place that serves as a metaphor and example for much of what is good and what is lost and what could finally be learned in America II." He praises the architecture, the preservation of green spaces, the concentration of learning and intellectual creativity. But he also worries that "as more and more people come to North Carolina, the congestion on the country roads grows, the small cities begin to fuse, the countryside begins to fill with buckshot development, the gap between the poor and the high-salaried Postindustrials grows."

Just as individuals and families receive different levels of earnings, features of businesses vary widely throughout the state. Figure 19 shows the diversity in average size of business in terms of number of employees. No one group of businesspeople, nor any one sort of business, represents the whole of the business community in North Carolina. The owner of a local dry cleaning establishment, a medium sized wholesaler and the manager of a plant owned by a multinational corporation often have very different interests. The favorable "business climate" which the state advertises nationally is principally focused on indicators that matter to the last group, not the first two.

If there is one feature to stand out from this summary of the economic well being of North Carolina's citizens it is the importance of the current transition from an economy based on agriculture and fairly large-scale but low-technology manufacturing to one based on other forms of work and production. These other forms include not only high-technology industry but a range of small businesses, services, information processing work, and even crafts. The impact is especially acute in rural and non-metropolitan areas. *After the Factories*, a report from the The Southern Growth Policies Board, sums up the transformation neatly:

FIGURE 19: AVERAGE SIZE OF BUSINESSES

N.C. Average = 15.47



The evidence compiled suggests that long-term restructuring of the region's economy is indeed occurring, resulting in shifts in jobs from non-metro to metro areas, in shifts among industrial sectors from manufacturing to services, and in shifts within manufacturing from traditional to emerging industries. The impact of these economic changes on the non-metro South is exacerbated by dependence on traditional manufacturing industries that are highly vulnerable to foreign competition and automation, and its ability to readapt is hampered by its relative lack of wealth and its low levels of educational attainment.

North Carolina, like much of the rest of the South, has for years pursued a development strategy aimed primarily at attracting manufacturing businesses from out of state. Whether it was the best strategy in the past may be debated. The point is that it is no longer a viable strategy at all. International competition and changing priorities among domestic manufacturers are two of the key factors cited in a recent report to the Ford Foundation and R.J. Reynolds Industries. Focused particularly on prospects for rural areas (which remain the majority of North Carolina), the report summarizes:

> Throughout the postwar era, the success of the Southern economy has been its ability to attract new manufacturing plants. Though many of the poorest and most remote counties were left behind, particularly those with high rates of poverty and large minority populations, hundreds of manufacturing plants did locate in the region.
>
> In the late 1970s, however, the influx of new manufacturing plants began to slow, and many existing plants began to experience serious financial problems — caught in a complex web of changing economic circumstances. Following the national trend, manufacturing employment in the South has seen a steady decline relative to other industry sectors. Moreover, the factors which once made the rural South attractive are now losing relevance. In short, for the past several years the trends in manufacturing have become increasingly stacked against rural communities.

We may add that the situation is not entirely different in urban areas. To be sure, there is still some growth in manufacturing, particularly along the I-85 corridor. It is increasingly automated, capital-intensive production, however, and generally does not produce a dramatic increase in jobs. In particular, it does not produce large numbers of jobs for the relatively low-skilled North Carolinians who are out of work. A disproportionate number of new jobs are for white collar workers and highly trained specialists. This raises the issue of education to which we will turn in the next section of this report. Before leaving our section on economic well-being, however, it is worth reemphasizing the point that there are available alternative strategies that make more sense than simply trying harder to recruit out of state businesses to bring some of the dwindling number of manufacturing jobs to North Carolina. Central to these alternative strategies, some of which have good track records, are efforts to "grow" more businesses locally. This requires public support of various kinds. And indeed, education has an important role to play here too.

PART THREE: EDUCATION

Education is a crucial topic to examine in any evaluation of the conditions of life and livelihood for two reasons. First, it is one of the most important goods which shapes the quality of an individual's life; if it is poorly or inequitably provided, people are directly impoverished. Second, education is one of the most important means to change the material and the social conditions of life; it is not only good in itself, it is a way to get other elements of a high quality of life. This has long been recognized in the United States, the country which pioneered the offering of free public education to its entire population. Education was seen by such founding fathers as Thomas Jefferson as crucial to the quality of an individual life, to the productivity of an economy, and to the process of participation in a democracy. North Carolina was a leader in the American experiment to provide democratic public educational institutions when it established the first state university nearly two hundred years ago.

Perhaps more than ever, education is important to the future of North Carolina today. Yet we are in an ambiguous position. On the one hand we share in the general strengths of the American system of public education, particularly the existence of a long tradition of schooling for all. And we have some particular strengths in North Carolina, like one of the most developed higher education systems in the country. But, on the other hand, we also have some crucial weaknesses. Like much of the rest of the country, we have experienced a recent crisis of confidence in educational institutions and particularly a sense of problems in the very conception of at least parts of the educational system. This crisis has been brought to a head by the publication of reports like *A Nation at Risk* and *What Our 17 Year Olds Know* (though the scare tactics in such reports often lead to panic reactions rather than fostering creativity and patient improvement). Secondary schools are often picked out as particularly weak links in American education. Together with most of the rest of the South, North Carolina also suffers from a long history of poor funding for primary and secondary education. Too often lack of resources has been compounded by the implementation of inappropriate models for how schools should work. A recent report by the Commission on the Future of the South sums up the general issue:

> Twenty years ago, when the national unemployment rate was near four percent, people with grade school educations could still find jobs. Today, the will to work must be matched with the skill to work. For all their struggle to hold onto vanishing jobs, some of our citizens have settled into a quicksand of poverty at the very bottom of southern society. Schools have been unable to lift them out, because the South, despite recent improvements, still spends below the national average per pupil, has higher rates of adult functional illiteracy, reports lower scores on college entrance exams, graduates fewer high school students and sends fewer of them to college, and has a population in which one-fourth of white adults and 37 percent of black adults dropped out of school by grade eight.

When education in North Carolina, as in the South generally, is stacked up against the rest of the country there are plenty of worrisome indicators to point to. We shall see several. But let us also remember that this is an area in which North Carolina has shown that with concerted effort real progress can be made. Overall, North Carolina remains sharply below the national average in what we are prepared to spend on schools. In 1986-87, for example, North Carolina spent $3,473 per pupil which ranked us 34th in the nation. That is no basis for complacency, but it is nonetheless a move-

ment in the right direction. In 1981, North Carolina spent only $2,033 per pupil and ranked 36th in the country. Much of this increase in dollar amount is due to inflation, but it does represent real gains as well. In North Carolina these were concentrated particularly in funding for elementary schools. But even though America's other states moved forward at the same time, we were able to advance three places. This shows that we can gain compared to the rest of the nation. The question is whether we have the will to continue to do so. Between the 1985-86 and 1986-87 school years, North Carolina's ranking actually declined one place.

On most indicators of educational effort (like finances) and attainment (like graduation rates) North Carolina no longer sits at the bottom of the state rankings. In 1986 data, for example, we rank 27th in average salaries for public elementary and secondary school teachers and 28th in public higher education appropriations per full time student (or equivalent). On the other hand, our overall teacher salaries are still below the national average, and from 1973 to 1983, North Carolina teachers actually experienced a 15.4% loss in purchasing power (while teachers in the U.S. as a whole lost 12%).

On a good many indicators, we are still in the lowest third and on nearly all we are below the national average. We rank only 40th in expenditures per pupil as a portion of per capita income. In other words, where our students receive the benefit of funding at the rate of 24.1% of per capita income (this includes all sources of funding, local, state and federal), in 39 other states the students enjoy the advantage of higher levels of support; the national average is 29%. High school graduation rates are another example of an area in which we have improved, but still lag well behind other states. In 1984, North Carolina ranked 5th in the South but only 37th in the nation with a 69.3% graduation rate (see Table 5). And North Carolina remains in the nation's bottom ten states in average SAT scores.

To look at current graduation rates or financial inputs is to emphasize the progress which has been made. A look at educational standards for the entire adult population is a sobering reminder of the continuing impact of older patterns. *In the United States as a whole, 73.9% of the population over 25 years old has received four years of high school education or more; in North Carolina, the percentage is only 54.8%. In the U.S. as a whole, 19.4 % of the over-25 population has received four or more years of college education; in North Carolina the figure is 13.2%.* These figures put North Carolina at a serious disadvantage in pursuing economic growth. Cutting drop-out rates is already a high priority in the state and it needs further attention. The figures just cited also suggest that adult education—both for basic literacy and at higher levels—needs to be emphasized alongside better education for our children.

FIGURE 20: PERCENT OF ADULTS OVER 25 WHO ARE HIGH SCHOOL GRADUATES

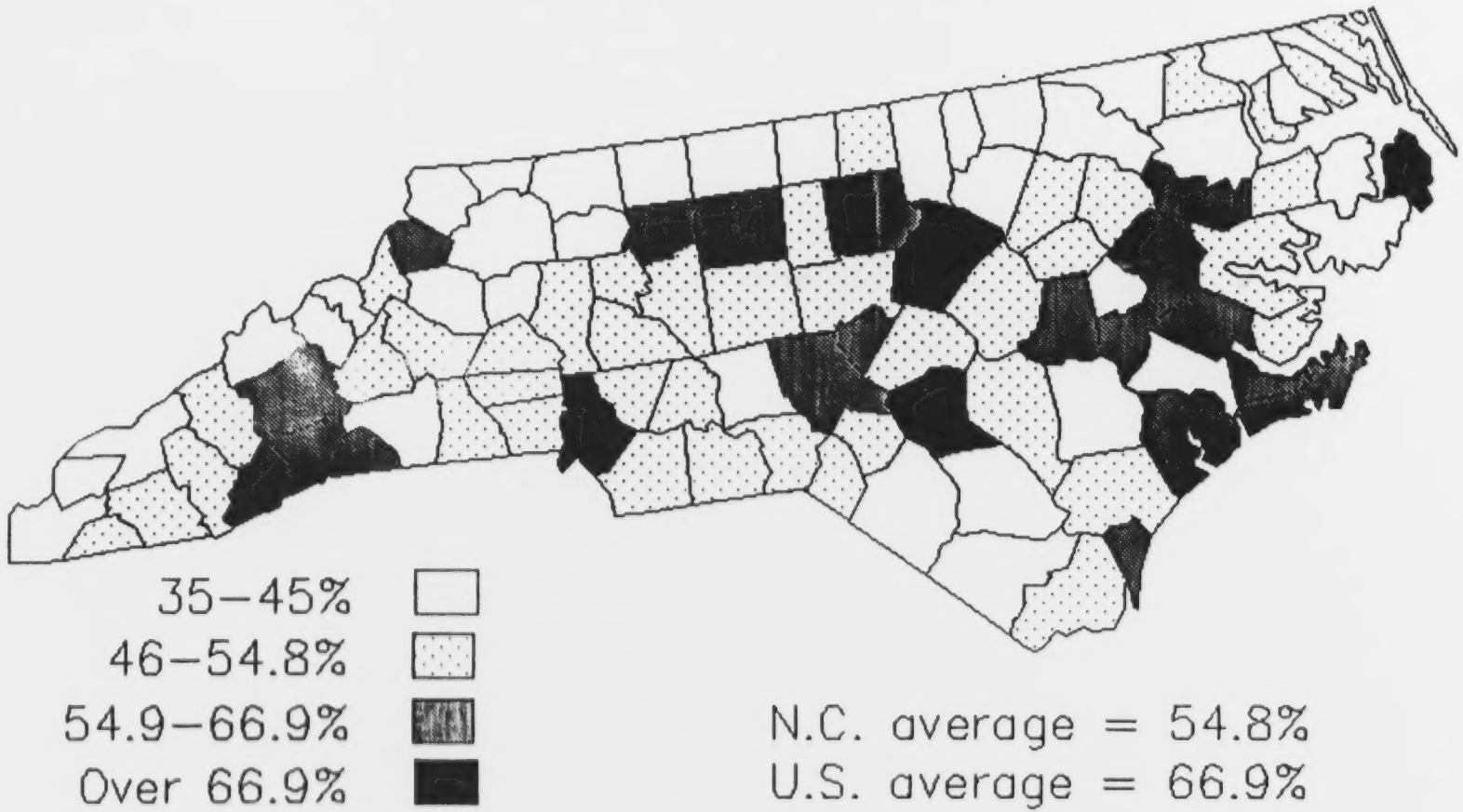


FIGURE 21: PERCENT WITH 4 YEARS OF COLLEGE

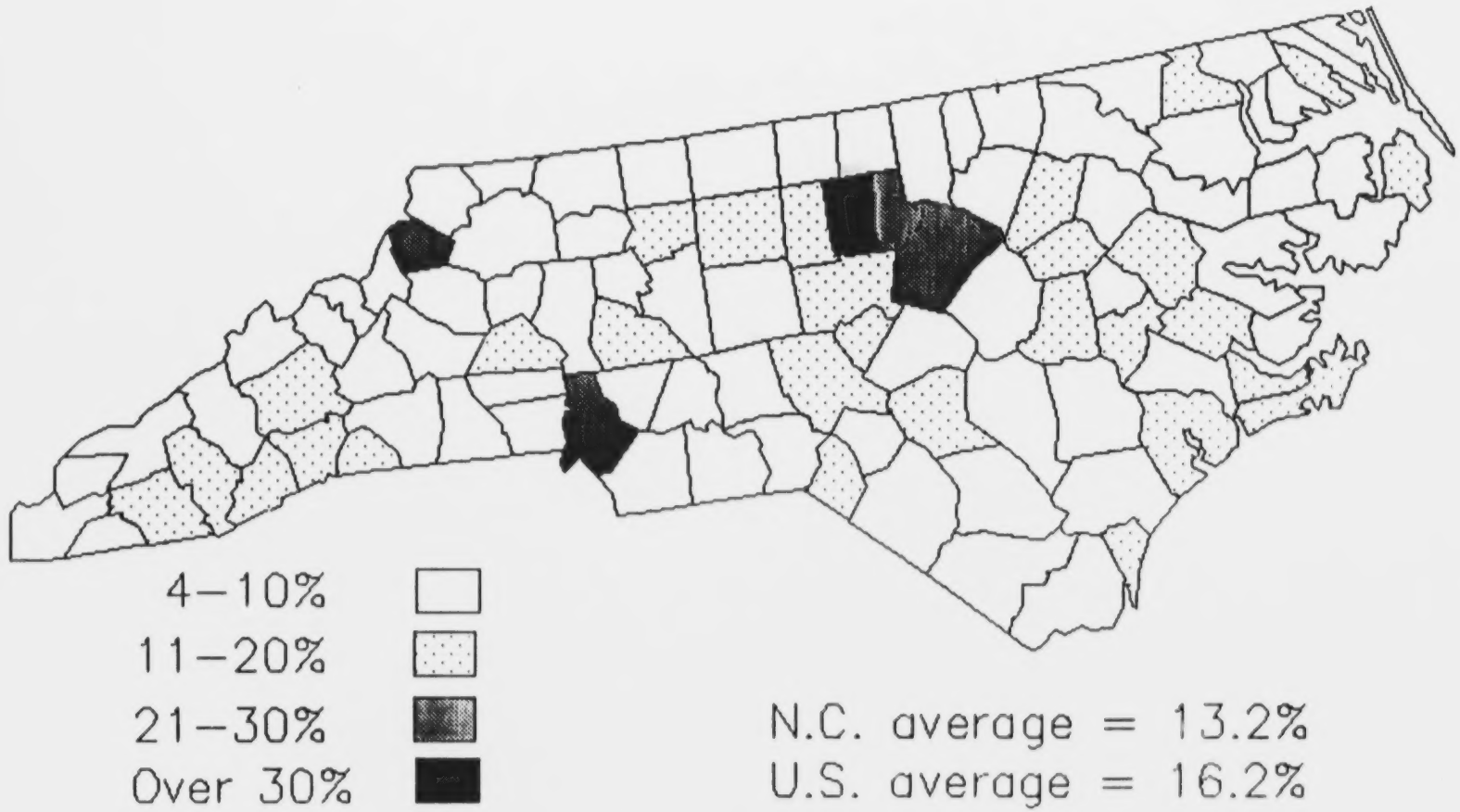


FIGURE 22: EDUCATIONAL EXPENDITURES PER CHILD

N.C. average = $2575 1984–85

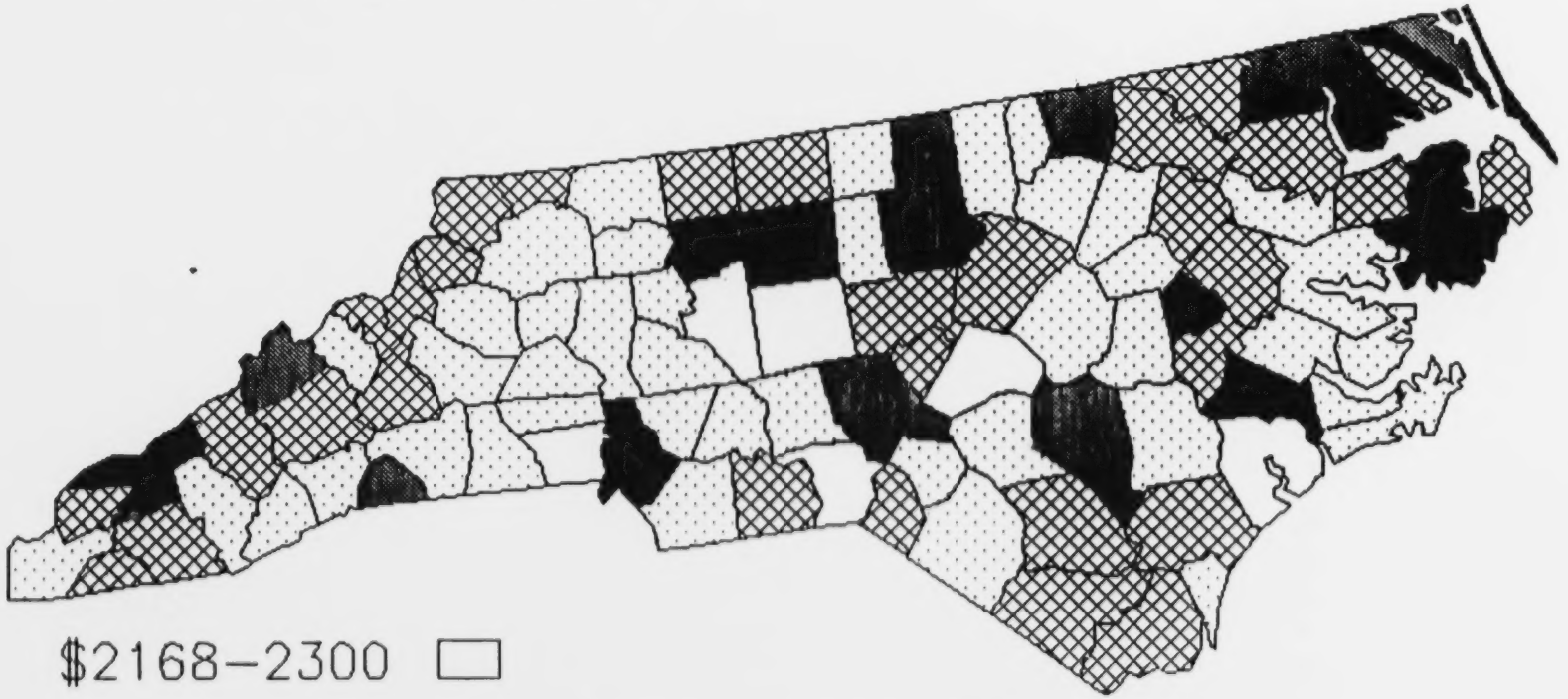


TABLE 5: SOUTHERN STATES' HIGH SCHOOL GRADUATION RATES, 1984

STATE	PERCENT GRADUATING	RANK IN REGION	RANK IN NATION
ARKANSAS	75.2	1	22
VIRGINIA	74.7	2	26
OKLAHOMA	73.1	3	31
TENNESSEE	70.5	4	36
NORTH CAROLINA	69.3	5	37
KENTUCKY	68.4	6	39
SOUTH CAROLINA	64.5	7	43
GEORGIA	63.1	8	45
MISSISSIPPI	62.4	9	46
FLORIDA	62.2	10	47
ALABAMA	62.1	11	49
LOUISIANA	56.7	12	50

In education as in so many other indicators, the state averages mask a wide disparity in local conditions. Figures 20, 21 and 22 show variance by county in years of school completed and expenditure levels. And of course disparities are not only regional. Blacks and Indians have long suffered from poorer schools, largely because of inadequate financing. They are also more likely to drop out. In 1980, 38.6% of North Carolina Indians over the age of 25 had eight or fewer years of schooling and 34.6% of North Carolina's black population were in the same situation, compared to 24.1% of whites in the same age group. Of course all these figures are disturbing. One of the major problems confronting the state is a high level of high school dropouts. These young people find it increasingly difficult to get jobs, and the jobs they get are increasingly unlikely to offer prospects of a good wage or career path for the future. Here again, there is wide variation among school systems. The dropout rate is over 10% of high school students each year in Durham City, Graham, and Rockingham schools; at the same time it is under four percent in Chapel Hill and Washington schools.

When people voice concern about the quality of schools, they often focus on how poor educations will reduce the job chances of poorer people in the state. They assume that richer people either can pay for private schools or can make sure the schools in their communities are above the average. But the quality of education has increasingly become an issue for the better off among us, who want to provide the best possible future for their children. And the quality of public schools has a direct impact on the economic future for all of us. Consider, for example, what makes us attractive to businesses. As *The Economist* magazine recently noted:

> Low taxes used to be the South's great selling point. They were the main element of its "good business climate", which politicians of both parties have always been at pains to promote. Now, however, good education probably ranks higher among the concerns of businessmen than low taxes. ... Surveys now show that, though the weather is nice in Dixie and trade unions virtually non-existent, companies do not want to move there unless their managers' children can get a decent education.

Weakness in our public schools is one of the most important impediments both to creating more successful businesses within North Carolina and to drawing new businesses from out of state.

PART FOUR: ENVIRONMENT AND HEALTH

In *The Environment: From Surplus to Scarcity*, the sociologist Alan Schnaiberg makes a distinction between two ways in which we are apt to think of our environment. This first is as "home," the place we live. This orientation leads us to worry about "fouling our nest" and to focus primarily on the attractiveness of the environment. The second view is of the environment as source of sustenance, the locus of all the material support for humankind. In this view we note the environment not only as a place to live but as the source for necessary food, air and other bases of life. The "home" dimension is important, but limited. Too often, Schnaiberg suggests, environmentalists have ignored issues of sustenance and focused only on removing certain irritants in man's home. When we go beyond the image of home to think of sustenance, we are forced to recognize the interrelatedness of economic production, social organization, population growth and environmental issues. We have environmental problems not as an easily avoidable accident, but as a built-in part of our form of economy and society. Of course we can try to ameliorate them, but a first step to dealing with them is to realize that they are not separable from growth, technology and some of the social amenities we desire.

North Carolina has been blessed not only with a beautiful natural environment, rich in a number of resources, but with above average public action to protect that environment. North Carolina is rated above the national average, for example, in the Southern Growth Policies Board's study of growth management in the United States. Rapid economic and demographic growth always adds to burdens on the environment, forcing the public to pay costs in terms of lost natural beauty, pollution and depletion of the land, air, water and animal and plant life. During rapid growth, however, North Carolina benefits from (a) a strong coastal management program with shared local and state power, (b) special regulations for critical environmental areas along the coast, (c) state funding for regional planning councils, (d) state involvement in water quality protection, including cost-sharing for agricultural run-off control in nutrient sensitive watersheds and in the coastal area, and a legislative study of watershed protection measures, and (e) authority for local governments to adopt environmental impact statement ordinances and, in some cases, to assess impact fees. By far the best developed environmental protection programs in the state are those focused on coastal management.

However, all is not well. Some of the environmental areas of special concern are: air pollution (and its effects on both plant and animal life); supply of clean ground water; waste treatment and disposal; preservation of natural environments for recreation and species preservation; preservation of natural resources for future use. Many commentators would include concern for the "built environment"—i.e. the humanly created physical structures which condition our lives, from homes and public buildings through transportation facilities. These two are subject to decay and sometimes burdened by overuse.

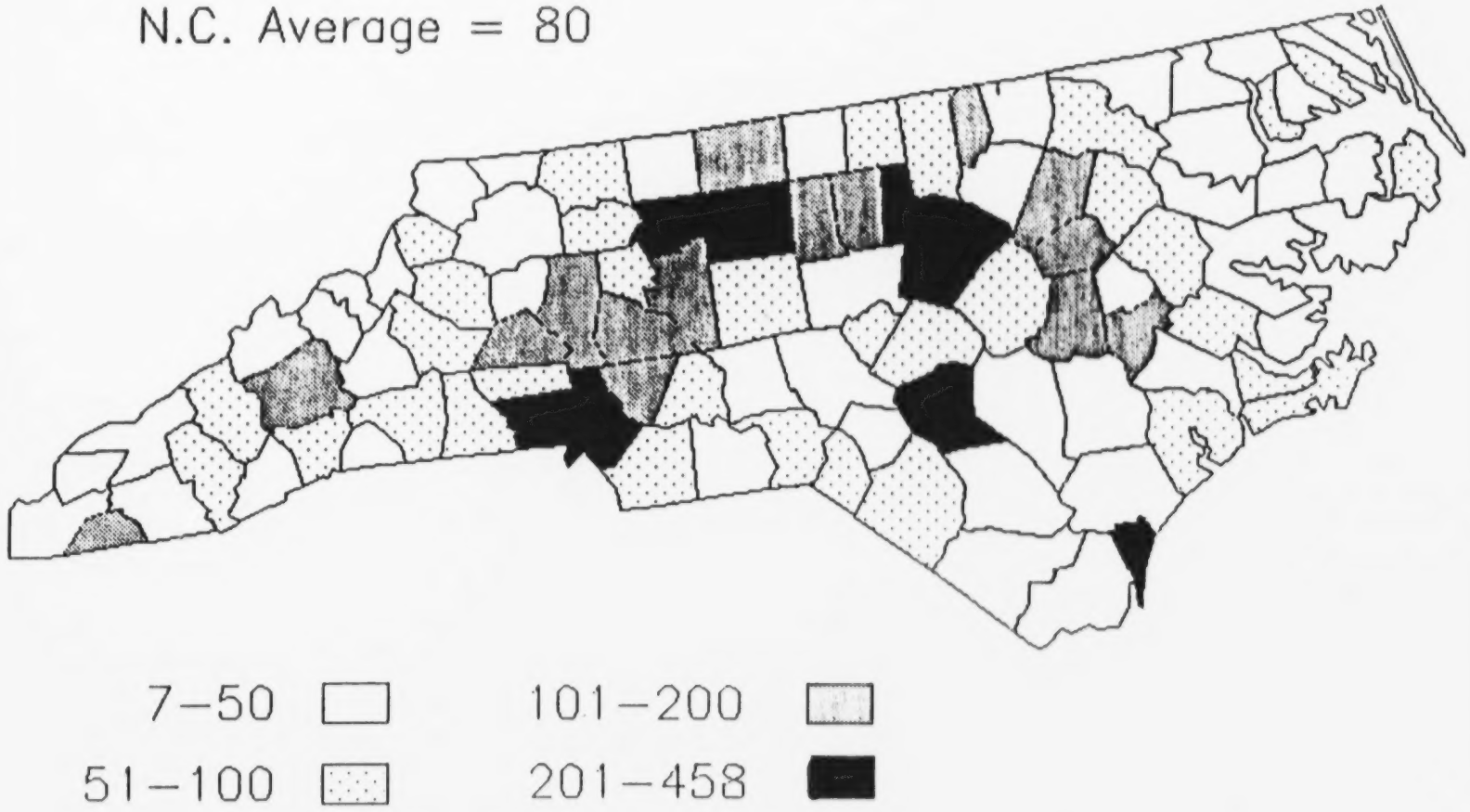
Traditionally, North Carolinians have been able to feel complacent when we hear of smog in Los Angeles. But this is changing. Many North Carolinians might be surprised to know that Charlotte is one of the country's eight worst offenders against air pollution regulations. The U.S. Environmental Protection Agency gives Charlotte a non-compliance rating of 75% with respect to municipal discharge regulations.

One good example of the threats to our natural environment is the impact of air pollution on the forests of Smokie Mountains. A haze often mutes the brilliant hues autumn vacationers come to see. The tallest peaks are often hidden from sight even on sunny days. Trees themselves are being killed, though definitive proof of specific relationships between individual pollutants and tree damage is scarce. A key policy issue is whether to wait for definitive evidence and scientific understanding of destruction before taking measures to stop pollution. As Michael F. Corcoran, a zoologist who directs the N.C. Wildlife Federation, puts it: "I think it's clear that something is going on. If you wait until you get all the data, you may be performing an autopsy rather than doing something to make the system better." An ecologist with the National Park Service estimates that sulfates from fuel-burning power plants, automobiles and industries account for some 65% of the haze in the mountains. So-called "acid rain" may bring pollutants from hundreds of miles away. Controls not only cost money, they involve tricky questions of relationships among states.

Pollution is not an issue limited to the mountains. On the contrary, rapid population growth and increased vehicular traffic have made air and water pollution important issues in every part of the state. The state's burgeoning metropolitan areas like the Research Triangle, the Triad and the greater Charlotte area all face increasing and notable problems of air pollution. Concerns have been voiced that North Carolina will lose its one of its most distinctive attractions if local fresh air comes more to resemble the atmosphere of Southern California. How widespread pollution problems are can be seen from the data presented in Figure 23.

Water supply and quality has been a special concern in North Carolina for some years. The state has made considerable strides in confronting "point source" pollution—the introduction of pollutants from specific facilities, like municipal sewage disposal plants. As a result, the number of miles on the "degraded streams list" has declined from 2,975 in 1977 to 604 in 1985. This is an area in which the combination of state and federal action has been very effective. On the other hand, North Carolina is just beginning to confront the challenge of dealing with "non-point source" pollution. Non-point sources include urban run-off (which will continue to increase as urban development in the Piedmont increases), agricultural run-off and stormwater run-off. Non-point sources are the re-

FIGURE 23:
AGGREGATE AIR POLLUTION PER SQUARE MILE



maining principal contributors to water quality degradation in rivers, streams, estuaries and sounds. Of the state's total mileage of non-supporting and partially supporting streams and rivers, 71% is degraded by non-point sources. Of lakes and reservoirs, almost 50% of water quality degradation is now attributable to non-point sources. Thus, for significant improvement in water quality to be made, and also in order to be able to meet the growing industrial and residential demand for water, North Carolina needs to address non-point sources in a serious and comprehensive way.

Effluent discharges from both municipal and industrial facilities threaten a number of water sources and wildlife habitats in the state. *Of the 113 facilities screened since 1983, 45% have indicated some contamination by toxic substances.* In addition, eutrophication (nutrient enrichment, usually from effluent discharge, which can result in excessive algae growth, spread of some diseases and loss of marine wildlife) affects 33% of North Carolina's lakes and reservoirs. Most of these are concentrated in the coastal plains and piedmont. Ninety percent of such eutrophication is attributable to municipal discharges; the balance comes from industry. As growth in these areas continues, eutrophication problems will intensify. The state is not presently able to monitor these problems effectively. Currently the Division of Environmental Management issues 2,500 wastewater discharge permits a year; this figure is projected to increase to 4,000 permits by 1995. But DEM staff is severely limited. Once issued permits, major dischargers are inspected once a year and smaller dischargers only once in five years. These infrequent inspections result in inadequate compliance and corresponding problems of water quality (see "Water Quality Progress in North Carolina," report of the N.C. Department of Natural Resources and Community Development, Division of Environmental Management, July 1986).

A major conference on Carolina Environmental Affairs was convened at the University of North Carolina at Chapel Hill in 1983. More than forty papers were presented on different environmental issues confronting North Carolina. While water resource issues loomed very large, problems and potential problems were also noted in solid waste disposal, acid rain, deteriorating forests, chemical and nuclear hazardous waste, and inadequate use of renewable energy sources. Beyond these, in other reports, commentators have noted such further problems as the potential loss of species and natural communities and the destruction of sport fishing and other recreational opportunities. In *Education, Environment and Culture*, a report published by the Southern Growth Policies Board, Robert Healey of the Conservation Foundation argues that freshwater wetlands and underground water are the two unpriced values of the natural environment most threatened in the South today. In considerable part, this issue can be seen in stark quantitative terms of limited supply and rapid growth in demand:

> An estimated six out of every 10 Southerners, some 35 million in all, use groundwater as a drinking supply source. Groundwater withdrawals in areas such as Tidewater Virginia, the coastal Carolinas, the rice-growing region of eastern Arkansas, southwest Georgia, and central and western Florida have caused water tables to drop, in some places by hundreds of feet. The southern states have yet to make much headway in protecting recharge areas for groundwater, or in developing water laws to allocate water and encourage its conservation.

Add to this the question of water quality. Consider runoff of "normal" farm chemicals alone: *the South has 14 percent of the nation's cropland, but uses 43 percent of the insecticides and 22 percent of the herbicides.* It is not hard to see that one of the collective goods we most take for granted in our individual daily lives—the water we drink— is in need of collective action for preservation and protection. Environmental concerns are directly linked to health concerns.

North Carolinians have shared in the nation's recent fashion for concern over health and fitness. We have jogged and bicycled and swum, but we may not have paid enough attention to some of the basic ways in which health needs are met in the state. Facilities are excellent for medical care in many parts of the state, especially in the Piedmont. But the contrast with poorer, less centrally located areas is stark. While the Triangle area boasts one of the highest proportions of medical doctors of any region in the country, Figure 24 reveals how unevenly distributed our supply of physicians is. There are several counties in North Carolina with *more than ten times the national average number of people depending on the services of a single doctor.* Only six U.S. states have more areas designated by the federal government as suffering from physician shortages. While we are close to the national average in numbers of highly skilled specialists, we are in the bottom 15 states when it comes to supply of general and family practitioners. The problem is worse in some other health professions. Even while the dental profession worries about a possible oversupply of dentists nationally, North Carolina has more than 2600 citizens for every active dentist, the fifth worst figure in the country. The rankings are also in the bottom ten nationally for supply of optometrists, pharmacists, and registered nurses.

Our health related problems stem not only from inadequate supply of professionals in some areas. We also suffer from a shortage of primary health services—e.g. good, effective county health departments, and coverage of workers and other citizens by adequate insurance programs. At least as serious are the impacts of poverty, lack of education and poor nutrition. It is not necessary, perhaps, to go into health issues at length. While they are partly dependent on health care policy, they are also reflections of other social and economic ills.

The results shorten the life expectancy of our population as a whole. *The average North Carolinian lives only 69.21 years, a life expectancy lower than all but six of the other U.S. states.* Even more striking, perhaps, are the figures for infant mortality, the death of children before they reach their first birthday. Here major contributing factors are the health of the mother, both prenatal and postnatal medical care, and proper nutrition for the child. Many expectant North Carolina mothers receive little or no prenatal care and counseling; children born into poverty are fed poorly; mothers in poor health pass their debilities on to their children. There has been improvement in this area as in many others. The infant mortality rate in North Carolina declined 41% between 1972 and 1982. But even after this improvement, as Figure 25 shows, some North Carolina counties had infant mortality rates more like Jamaica or Chile than like Kansas or Vermont. In the grim statistic of infant mortality, North Carolina ranks 4th in the country. In other words, *babies born in 46 other states have a better chance of living to celebrate a birthday.*

FIGURE 24: NUMBER OF PEOPLE PER PHYSICIAN

U.S. Average = 500

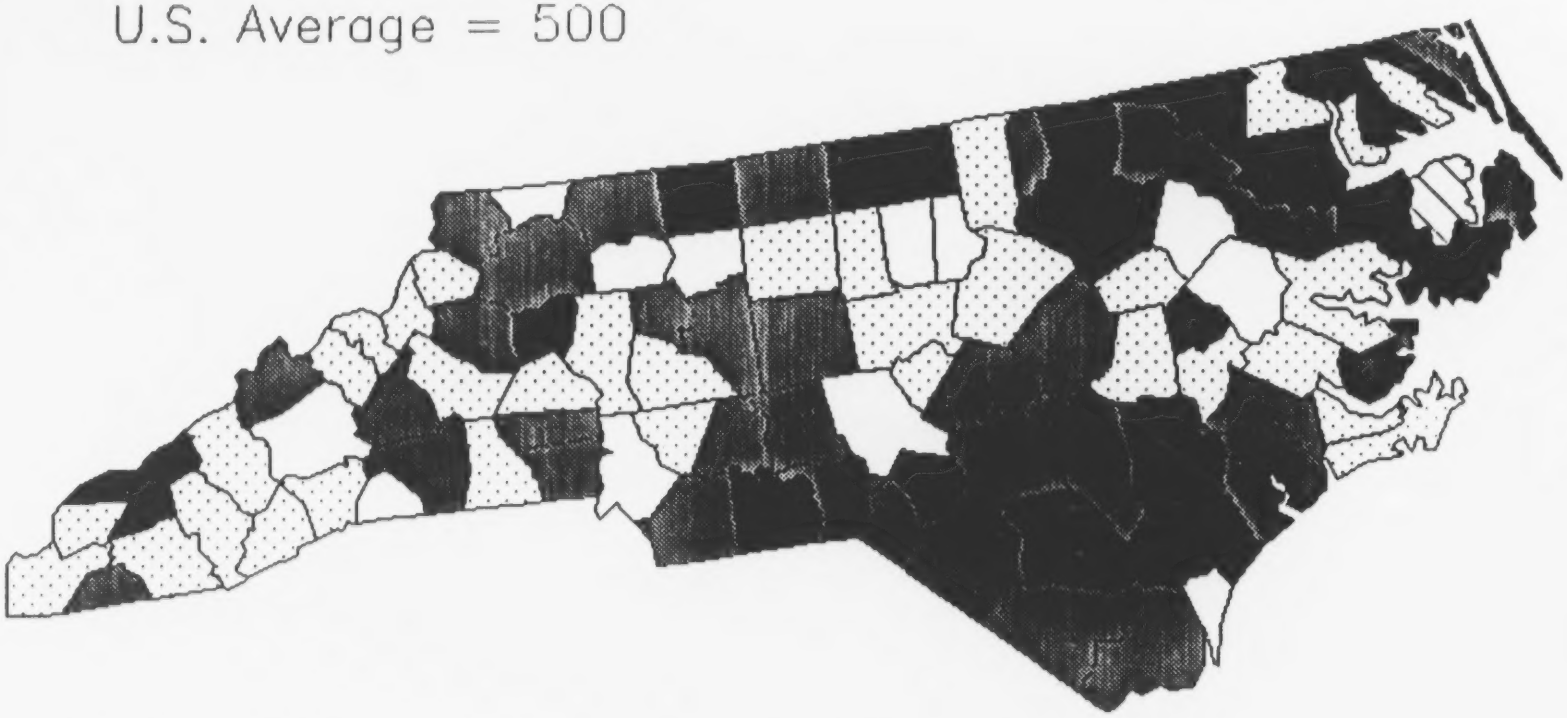
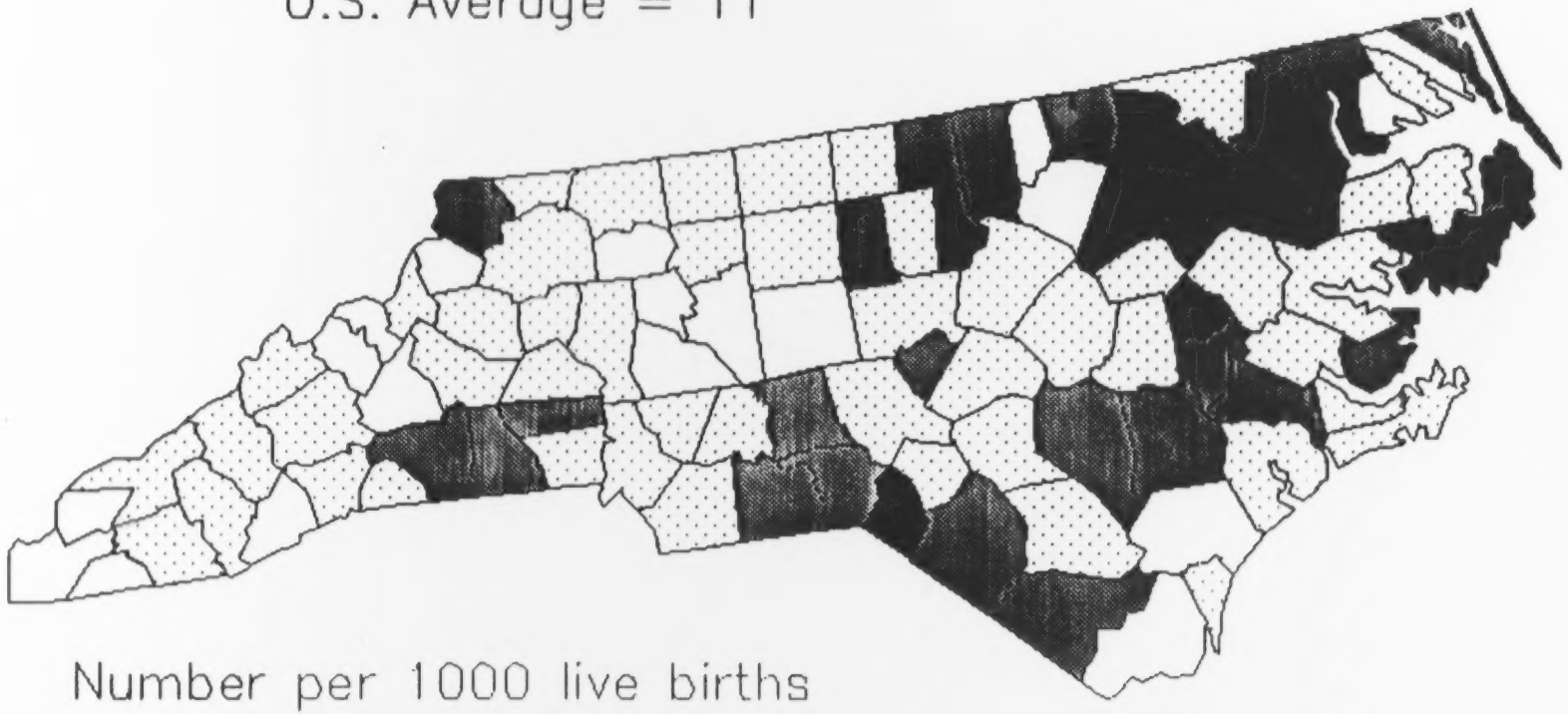


FIGURE 25: INFANT MORTALITY RATES

U.S. Average = 11



Number per 1000 live births

Under 11
11–15
15–20
Over 20

Average for
1979–1983

CONCLUSION

These are not the only areas of concern for North Carolinians. Consider brief mentions of how we rank on a few other indicators. Of the fifty U.S. States, North Carolina is ranked:

1st in percentage of married women having abortions (among 31 states reporting). More abortions are performed on girls under 15 in North Carolina than in all but four other U.S. states. This is an indicator of lack of effective access to, or education for, other means of birth control.

36th in annual per capita direct general expenditure of state and local government for public welfare ($131 per person as opposed to $201 in the U.S. as a whole).

4th in the percentage of the workforce which is blue collar (39.5%) but only 38th in the percentage which is white collar (45.8%).

45th in percentage of eligible population voting in national elections.

There is actual hunger among North Carolina's poor. The average Aid to Families with Dependent Children payment in North Carolina is only about one fifth of the official U.S. poverty level. North Carolina is one of only 17 states which tax food purchases. And North Carolina is one of 28 states (the largest group of which are also in the Southeast) in which Aid to Families with Dependent Children actually includes the anti-family provision of making payments available *only* to single-parent households. Two-parent families are ineligible, regardless of their need.

The issues to which we have pointed affect many who are not actually poor. Take housing. One of the attractions North Carolina (and the South generally) offer to relocating industries is relatively low land and housing prices compared to other parts of the country. Of course, when prices are bid up during growth, the inflation often makes it difficult for young families to buy homes. So members of the middle class suffer, despite the massive subsidy to homeownership provided by tax deductions for mortgage interest. Of course, as usual, the poor suffer more. The mortgage subsidy (which will cost the federal government an estimated $40 billion in 1988) is considered an untouchable part of the tax system, but government support for low and moderate income housing has declined in recent years, even as inflation has increased the need for it. In Robert Kuttner's words:

> Housing is a[n] ... area in which government once served to advance individual opportunity and mobility, but now public policy serves to widen the chasm between haves and have-nots. Under the current administration, direct subsidy of new low and moderate income housing construction has all but disappeared.

This is one of the contributing factors in the growing problem of homeless persons. And that is a problem of serious proportions in North Carolina, not just in New York and other giant cities. Looking back at Figure 9, we can recall how in some North Carolina counties one out of five houses still lacks full indoor plumbing; having a home does not mean that all one's housing problems are solved.

These are problems for all North Carolinians. We all live in the same state, drink the same water, send our children to school and need to earn an income. Concerns for education, environment and economy are interrelated. Yet we do not all face the problems—and opportunities—of our state with the same resources. Several maps in this report have shown how important regional diversities are in North Carolina. Figure 26 summarizes three indicators of the lasting legacy of racism which also divides North Carolinians.

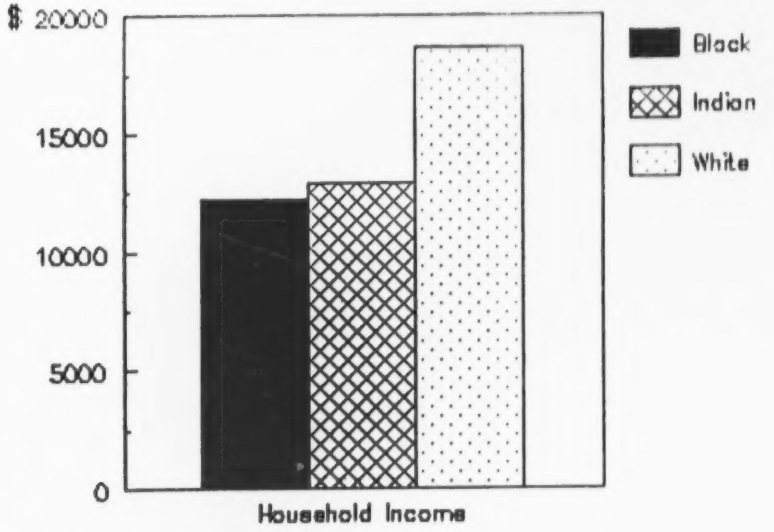
In area after area—health care, wage levels, educational attainment—we have seen empirical evidence which shows that North Carolina has made progress in recent years, but also that we still face serious challenges. We have seen, moreover, that some established ways of dealing with our problems may be losing effectiveness due to changes in the larger economic context. The next step is up to all of us, as individuals and in cooperation with our neighbors, family, friends and co-workers. We must decide on the sort of future we want, and the policies which will get us there.

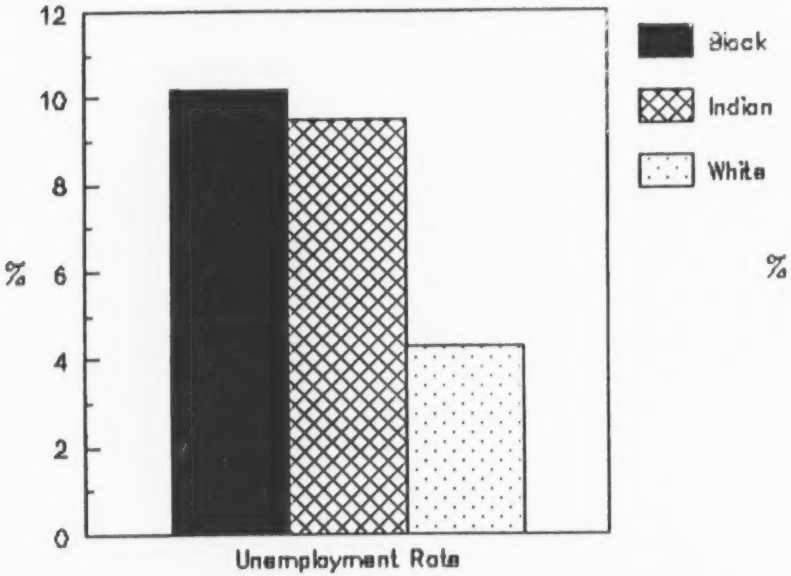
Of course there are reasons for optimism too. Harry Boyte has charted some of these in books like *Community is Possible* and *The Backyard Revolution*, where he shows that the idealism and social concern of the 1960s did not vanish in the 1970s or early 1980s, but rather assumed less visible and often more locally focused forms. Thousands of people worked in neighborhood associations, community development programs, church related programs for the poor and other kinds of practical efforts to build a better society. North Carolina has benefited from many of these. And citizen activism continues to flourish.

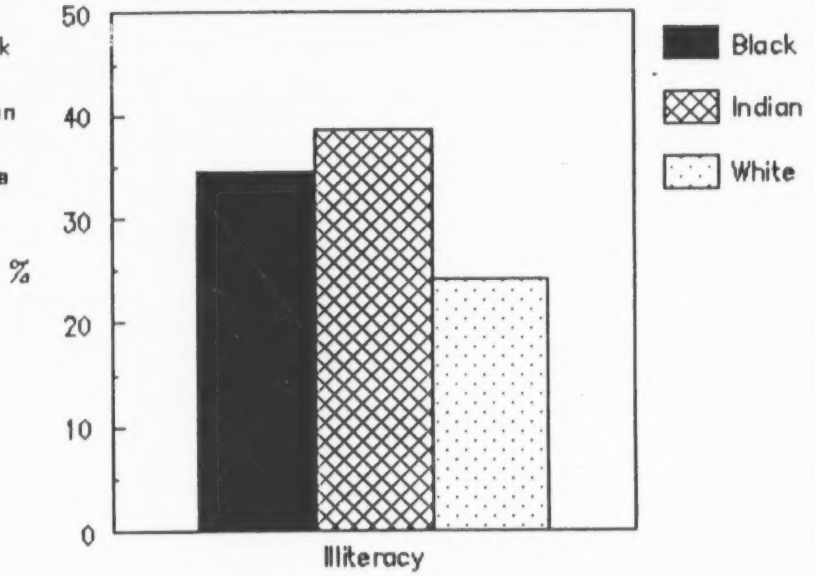
North Carolina also is rich in community itself—in churches, PTAs, service organizations and networks of friends. Because North Carolinians have not been as mobile as some people—Californians, say—we are in a better position to draw on our strong local bonds when we begin discussions about the future, and when we plan action to make the best future happen. There is also reason to hope for a growing public discourse which will link people from disparate communities, regions, occupations and classes. The communications media serving the state have been enhanced by the addition of a statewide weekly newspaper and the growing stature of the established daily newspapers. If we work at it, we are in a better position to link our communities and special interest groups in a real statewide public than we have been in a long time. If we become accustomed to thinking and acting as members of a public, we can build on the gains we have made in areas like elementary education and coastal resource management. And, we can shape the economic growth we have worked long and hard to achieve into directions which do the most good for the greatest number of people across our state.

This report began with some good news and some bad news. In the middle sections, the bad news probably stood out most. But here at the end, it is important to affirm the best news of all. It is within our reach, as citizens of North Carolina, to see to it that if a "state of the state" report is written twenty years from now, the good news will dwarf the bad. We have the social basis for collective action. We are getting the economic basis for real development. The big question is whether we have the political will to live up to our best intentions and highest hopes. What this will take, first, is a rich public discussion of what the future should hold. And then, we will need commitment to the kind of North Carolina covenant Jonathan Sher discusses in the companion volume to this report—that is, an agreement among ourselves as to our common plans and goals. If that commitment, that covenant, is real, then the third step should be easy. For it is simply to act on what we believe and value.

FIGURE 26:
THE LEGACY OF RACISM IN NORTH CAROLINA







REFERENCES AND SUGGESTIONS FOR FURTHER READING

STATISTICAL SOURCES

U.S. BUREAU OF THE CENSUS

Statistical Abstract of the United States (Washington: U.S. Government Printing Office, 1987). Published annually by the Census Bureau, this is an invaluable reference book. It includes data from the whole range of government agencies, predominantly at the national level, but also in many cases at state levels and occasionally with international comparisons. Information is here on everything from manufacturing to population, appliance sales to libraries, education to nursing homes.

Census of Population. The decennial censuses conducted by the U.S. Bureau of the Census, Department of Commerce are available and contain a great deal of information. We have used data from the 1950, 1960, 1970 and 1980 censuses. Most of the data are published, in absolute number and/or percentage form, though this is a less readily accessible source than the *Statistical Abstract.* The census data are also available in computer-readable form.

State and Metropolitan Area Data Book. Published at fairly long intervals, this *Statistical Abstract* supplement is nonetheless an essential source for detailed information about states, metropolitan areas, central cities, and regions.

City and County Data Book. This *Statistical Abstract* supplement focuses on cities and counties, providing a wide range of data about their characteristics.

County Business Patterns. 1984 is the most recently published volume of this report which includes county by county information on a range of variables describing businesses.

OTHER U.S. GOVERNMENT PUBLICATIONS

Digest of Education Statistics, 1987, Center for Education Statistics, Office of Educational Research and Improvement, U.S. Department of Education.

Rural Economic Development in the 1980s: Preparing for the Future. Agriculture and Rural Economy Division, Economic Research Service, United States Department of Agriculture, 1987.

NORTH CAROLINA STATE GOVERNMENT PUBLICATIONS AND REPORTS:

N.C. Statistical Abstract, Published periodically by the N.C. State Data Center, Research and Planning Services Section, Office of State Budget and Management; 5th edition, 1984.

N.C. Employment Security Commission, Labor Market Information Division: *State Labor Summary* (monthly and annual); *Employment and Wages in North Carolina* (annual)

Medicaid in North Carolina: Annual Report, 1985-1986. N.C. Department of Human Resources, Division of Medical Assistance, 1987.

North Carolina State Data Center Newsletter, Office of State Budget and Management. A monthly report, with varying topics covered. Periodic technical reports are also issued from the same office, e.g. summarizing the results of the U.S. decennial censuses for North Carolina.

State Rankings. North Carolina State Data Center, Office of State Budget and Management.

North Carolina's Health (by Kathryn Searles), SCHS Studies, No. 28, Department of Human Resources, Division of Health Services, State Center for Health Statistics, 1983.

How North Carolina Ranks Educationally Among the Fifty States. Division of Research, Department of Public Instruction.

North Carolina Public Schools Statistical Profile, 1986, Division of Planning and Research, Controller's Office, North Carolina Board of Education.

Keeping Students in School: Dropout Data, Research and Programs, Office for Dropout Prevention, Support Services area, Department of Public Instruction, July 1985.

Reports of the Legislative Research Commission to the General Assembly of North Carolina. Several volumes of such reports are compiled for the use of legislators during each legislative session. In 1986, they included data on such issues as aging, child support, legislative ethics and lobbying, local government financing.

Water Quality Progress in North Carolina, 1984-85; 305b report. North Carolina Department of Natural Resources and Community Development, Division of Environmental Management, Water Quality Section.

North Carolina Vital Statistics, 1983. North Carolina State Centers for Health Statistics, 1985.

Metro Carolina: An Introduction to Urban North Carolina. Department of Commerce, Industrial Development Division.

SOUTHERN GROWTH POLICIES BOARD

Established by the state and local governments of eleven Southern states and Puerto Rico, the SGPB publishes a wide range of important and useful studies, including the reports of the Commission on the Future of the South. Several of these have informed this report and are worth direct study by interested groups. They are available from the SGPB at P.O. Box 12293, Research Triangle Park, NC 27709.

1986 COMMISSISON ON THE FUTURE OF THE SOUTH:

Halfway Home and a Long Way to Go. The final report of the 1986 Commission on the Future of the South.
The Report of the Committee on Technology and Innovation.
The Report of the Committee on Human Resource Development.
The Report of the Committee on Government Structure and Fiscal Capacity.
Financing Economic Development in the South: Public Infrastructure and Entrepreneurship.
Equity: The Critical Link in Southern Economic Development.
Rural Flight/Urban Might: Economic Development Challenges for the 1990s.
International Trends and Policy Implications for Southern Economic Development.
Education, Environment and Culture: The Quality of Life in the South.

FORESIGHT. This is a series of short reports, particularly detailing model programs for Southern economic development. The following is a list of some of those most likely to be useful to readers of this report:

The Education of the Renaissance Technician: Postsecondary Vocational-Technical Education in the South (by Stuart A.Rosenfeld), 1986.
Investing in the Health of At-Risk Youth: School-Based Health Clinics in the South (by Susan Levy), 1987.
Strengthening State-Local Relations: Models for the 21st Century (by Carol Conway and Candice Brisson), 1987.
Learning while Earning: Worksite Literacy Programs (by Stuart Rosenfeld), 1987.

OTHER SGPB PUBLICATIONS

Technology, The Economy and Vocational Education, 1986.

A Profile of the South, 1986-87

After the Factories: Changing Employment Patterns in the Rural South, 1985. This offers a substantial look at the transformations of the labor force which are taking place throughout the South. Conditions in metropolitan and non-metropolitan areas are contrasted; different industries are compared; employment growth is related to demographic and economic factors, and to education.

Guiding Growth in the South, 1987. This is a look back at progress made—and not made—since the SGPB published *Guiding Growth* in 1978. State Growth management priorities and capacities are compared.

Reviewing the Ratings (by Stuart Rosenfeld). A look at the ratings of "business climate" published regularly by the Grant Thorton Company and used to attract industry to states like North Carolina, this report also examines the alternative indices developed by the Corporation for Enterprise Development. North Carolina looks less good on the newer index, which among other things pays more attention to factors important to small businesses, services industries and high-tech industries.

MDC, INC.

A public research corporation located at 1717 Legion Rd., Chapel Hill, NC 27514, MDC has conducted studies on a number of topics, most related to issues of employment, education and development.

Shadows in the Sunbelt. A look at how rural areas have often been left behind in the generally rising prosperity of the "sunbelt" region. Must reading for those concerned with uneven development patterns in North Carolina.

Three Faces of Rural North Carolina. This report profiles three North Carolina counties and their differing attempts to provide for development and employment. Particular stress is laid on the distinction between attempting to lure large employers from outside, and attempting to "grow" businesses within the local area.

What Y'all Ought to Know: Facts and Issues on the Federal Role in Addressing the South's Number One Economic Problem. The problem in question is the plight of the rural South.The brief report highlights some facts and raises some questions concerning issues such as human resource development, welfare reform, trade and budget policy, agriculture, technology transfer, transportation, health services, enterprise development and local government assistance.

OTHER SOURCES

State Policy Data Book, 1987. This is a general reference book for those who work with state governments. It includes information and state rankings for a range of indicators. It is published annually by Brizius and Foster, RD 1 Box 445-D, McConnellsburg, PA 17233. A computer diskette is also available containing much of the information in the book together with additional data used to calculate some of the tables.

Demographic Atlas of Western North Carolina. Economic Development Division, Center for Improving Mountain Living, Western Carolina University.

The Survey of Buying Power, 1987. Designed for the use in business marketing and advertising, this is one of the most up-to-date sources on income and related indices of buying power in local communities and counties.

Who Owns North Carolina? This extraordinary study looks at landownership patterns and their social consequences throughout the state. Prepared by the Institute for Southern Studies (P.O. Box 531, Durham, NC 27702) it is the first really comprehensive study of this important topic in any American state. It should be studied by every group engaged in local public action.

Social Security Bulletin. The regular government publication which reports the current operating statistics of the Federal Social Security Program.

American Medical Association. *Physician Characteristics and Distribution in the U.S.* Chicago: Survey and Data Resources AMA, 1984.

National Education Association. *Rankings of the States, 1987.* West Haven, CT: NEA Professional Library.

Crutchfield, James A., Ed. *The North Carolina Almanac and Book of Facts.* Nashville, TN: Rutledge Hill Press, 1986.

BOOKS AND ARTICLES

Bellah, Robert N., Richard Madsen, William M. Sullivan, Ann Swidler, and Stephen M. Tipton. *Habits of the Heart: Individualism and Commitment in American Life.* Berkeley: University of California Press, 1985.

Bellah, Robert N., Richard Madsen, William M. Sullivan, Ann Swidler, and Stephen M. Tipton. *Individualism and Commitment in American Life: Readings on the Themes of Habits of the Heart.* New York: Harper and Row, 1987.

Block, Fred, Richard A. Cloward, Barbara Ehrenreich and Frances Fox Piven. *The Mean Season: The Attack on the Welfare State.* New York: Pantheon, 1987. Four leading social commentators analyze the background to recent attacks on the role of government in providing for social welfare, the nature of contemporary debate, and the economic issues which underpin and influence the government's activity.

Boyer, Richard and David Savageau. *Places Rated Almanac.* Chicago: Rand McNally and Co., 1981.

Boyte, Harry C. *The Backyard Revolution: Understanding the New Citizen Movement.* Philadelphia: Temple University Press, 1980.

Boyet, Harry C. *Community is Possible: Repairing America's Roots.* One of the most important statements of the "new populist movement," and a documentary record of the many ways in which citizens of local communities have worked together to solve problems, seek common goals and achieve collective empowerment.

Coble, Ran. *The 1983-85 North Carolina Budget: Finding the Missing Pieces in the Fiscal Jigsaw Puzzle.* Raleigh: N.C. Center for Public Policy Research, 1984.

Commission on the Future of North Carolina: *The Future of North Carolina: Goals and Recommendations for the Year 2000.* Raleigh: North Carolina Department of Administration.

The Economist, "To Live or Die in Dixie," 27 February 1988, pp. 17-19.

Eller, Ron D., edc. *The Land and Economy of Appalachia.* Lexington, KY: The Appalachian Center, University of Kentucky. A collection of papers from a 1986 conference on Appalachia. Cointributions range from specific assessments of the rural/farm crisis, the future of coal field development and similar topics to an analysis of gender and family structure and Wendell Berry's superb argument for why community itself should be a crucial value to be weighed in assessing the costs and benefits of economic development and change.

Freeman, Gordon. "The Process of Covenant," *Publius,* vol. 10#4, Fall 1980, pp. 71-81.

Freeman, Gordon. "The Rabbinic Understanding of Covenant As a Political Idea," pp. 59-86 in Daniel J. Elazar, ed.: *Kinship and Consent.* Washington, DC: University Press of America, 1983.

FYI Information Services: *The New Book of American Rankings,* New York: Facts on File Publications, 1984.

Gorz, Andre. *Ecology as Politics.* Boston: South End Press, 1980. A leading analysis of why ecological issues, along with health and other "quality of life" concerns, should be central to political and economic analysis, not left on the periphery.

Gutek,Gerald L., Ed. *Standard Educational Almanac.* Chicago: Professional Publications/Marquis Who's Who, Inc. 1984-85 (Seventeenth edition). These volumes include not only some compilations of statistics but reprints of significant articles published during the preceding year in various education-oriented journals.

Harrington, Michael. *The Other America.* Baltimore: Penguin, 1959 (second edition 1971). The classic study of poverty which inspired the war on poverty during the Kennedy and Johnson administrations. Harrington's book showed how numerous Americans were being left behind in generally advancing prosperity. It focused particularly on such pockets of enduring poverty as Appalachia.

Harrington, Michael. *The New American Poverty.* New York: Penguin, 1985. Harrington returns to the theme of *The Other America* both to assess the extent of progress since its publication and to chart the changes in the nature of poverty. He finds that there has been some, but not enough progress, and that new forms of poverty (like those facing workers laid off in basic industries) have appeared alongside the old.

Herbers, John. *The New Heartland: America's Flight Beyond the Suburbs and How it is Changing our Future.* New York: Times Books, 1986. Chapter Three focuses on North Carolina as "the prototype for America's future."

Jones, G.U. and L.P. Hirsch, Eds. *State Information Book.* Vienna, VA: Infax Corp., 1985. This duplicates the material included in the *Statistical Abstract* and other U.S.Census publications, but may be available in some local libraries where full government publications are not.

Louv, Richard. *America II.* New York: Penguin, 1983. A popular journalistic account of the transformation of American society attendant on new technology, new forms of business organization and other socio-economic changes.

Mason, Janet. "Social Services in North Carolina: The State-County Relationship," *Popular Government,* Summer 1985, pp. 20-28.

Mather, Tom, "Pollution Dims Smokies' Beauty," *Raleigh News and Observer,* 1 November 1987.

Morgan, Sheron. "Women and Economic Security," *Popular Governmentl,* Fall 1984, pp. 11-16. Summarizes some of the important ways in which women face different economic challenges from men, including some distinctive limitations on abililty to earn income.

Obey, David and Paul Sarbanes, eds.: *The Changing American Economy.* New York: Blackwell, 1986. A timely collection of articles by leading eonomists, political scientists and public leaders on both left and right on a wide range of economic issues and possible solutions.

Parramore,Thomas C. *Express Lanes and Country Roads: The Way We Lived in North Carolina, 1920-1970.* Chapel Hill: University of North Carolina Press, 1983.

Physicians' Task Force on Hunger in America. *Hunger in America: The Growing Epidemic.* Boston: Harvard University School of Public Health, 1985.

Schnaiberg, Alan. *The Environment: From Surplus to Scarcity.* New York: Oxford University Press, 1980. The most important analysis of why the environment came to be the object of so much social concern during the 1970s. Schnaiberg analyzes not only the population, production and consumption patterns' effect on the environment, but also how different social movements have determined which environmental problems become public questions and what sort of attention they get.

Smith, Stephen A. *Myth, Media and the Southern Mind.* Fayetteville: the University of Arkansas Press, 1985.

Terlecky, Nestor E. *Regional Economic Growth in the United States: Projections for 1985-2000.* Washington: NPA Data Services. These projections cover a wide variety of topics from technology to population to employment.

Tickameyer, Ann R. and Cecil Tickameyer. *Poverty in Appalachia: Appalachian Data Bank Report #5.* Lexington, Ky: Appalachian Center, University of Kentucky, 1987.

Williams, Joan and Joe B. *1983 U.S. Statistical Rankings.* Elmwood, NE: Williams' Market Analysis.

Wood, Phillip J. *Southern Capitalism: The Political Economy of North Carolina, 1880-1980.* Durham, NC: Duke University Press, 1986.

Woodruff, Archibald M., Ed. *The Farm and The City: Rivals or Allies?* Contributors trace changes in the pattern of relationships between cities and rural America, including the extension of suburban residential uses into agricultural areas, the relationship of urban and rural economic problems, and the impact of development on the environment.

Worldwatch Institute, *State of the World.* New York: Norton. An annual survey of crucial issues in the "progress toward a sustainable society," particularly good on environmental concerns.

Wright,Gavin. *Old South,New South: Revolutions in Southern Ecobnomy since the Civil War.* New York: Basic Books, 1986.

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1. The author is grateful for research assistance from Tim Stephens and Keven Everett who helped to locate some of the statistical sources for this report.

2. It should be noted that official pollutant count statistics are notoriously unreliable and difficult to interpret. In order to make the state's aggregate count of particulate emissions more readily interpretable, we have constructed an index by summing area source of the five major pollutants reported by the N.C. State Government's Emissions Inventory, and dividing these by county area. Unfortunately, these data, the most recent the state has published, are for 1979.